

NATION'S BUSINESS



SEPTEMBER • 1935

When the Women Wake Up!

By Cathrine Curtis

What Workers Want to Know

The "Old Man" Talks It Out

One Man's Faith and Works

A Country Banker's Story

270,000 CIRCULATION

PUBLISHED BY THE CHAMBER OF COMMERCE
OF THE UNITED STATES • WASHINGTON

**SCHLUDERBERG-KURDLE SAYS OF BELL SYSTEM
TELETYPEWRITER SERVICE: *"Definite saving-
greater accuracy - more than satisfied"***

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5/50	23	8/10 ESSKAY FRESH HAMS		
2/15	30	ESSKAY SMOKED WESTPHALIAS		
5/50	23	8/10 ESSKAY FRESH HAMS		
5/5	23	ESSKAY FRANKFURTERS		
2/50	24	ESSKAY SKINNED FRANKFURTERS		
5/50	29	ESSKAY SMOKED SKINNED BACON 6/8		
5/50	23	ESSKAY PRIME BACON 6/8		
2/50	26	ESSKAY BOLOGNA		
5/50	27	ESSKAY GERMAN LIVERWURST		
5/50	27	ESSKAY STRAIGHT BACON		

529

THE Schluderberg-Kurdle Company, Baltimore meat packers, installed Teletypewriter Exchange Service in 1932 both at their headquarters and their Richmond, Va., sales office. It proved so valuable that the New York and Easton, Md., offices were soon connected.

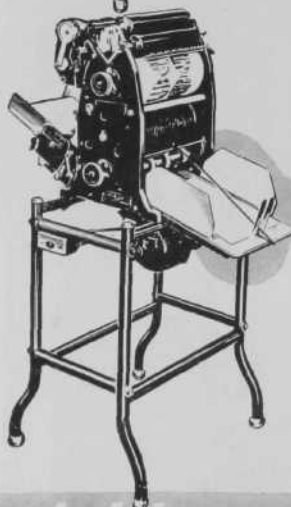
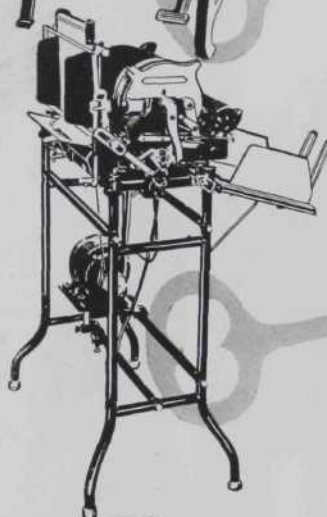
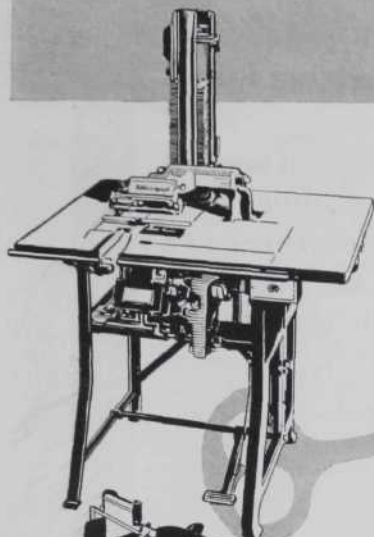
Today, all orders are teletyped between the four points on special printed forms. One typing, in New York, Richmond or Easton, produces an original order form for office records, and *simultaneously* prints four identical copies in Baltimore. No time is lost in transmitting, copying, checking. Errors and misunderstandings are almost impossible. Each department has its own copy.

Teletypewriter Service is used for inter-office correspondence, as well as orders. . . . The manager of the accounting division writes: "It has meant a definite saving in costs . . . neater, more accurate service. We are more than satisfied."

Could you use the speed and accuracy of Bell System "typing-by-wire" in your business? It usually pays for itself in economies effected. Your local Bell telephone company will gladly show you how.



3 KEYS to Better Business



... AND SOME OF THE LATEST WAYS IN WHICH THEY ARE UNLOCKING DOORS TO HIDDEN PROFITS . . .

ADDRESSOGRAPH, in the Minds of Many Business Men, is "just an addressing machine." Actually it saves money in no end of ways. In industrial plants it is used to imprint names, numbers, operations, rates, deductions and net amounts on pay forms—instructions and items on production orders and schedule cards—entries on cost and inventory sheets. Accounting departments use it to head ledger pages, bills and statements. Sales and advertising departments use it to win new markets and hold old customers. Collection departments use it to bring in money. By speeding up work, eliminating errors and cutting costs, it is adding to profits in *all kinds and sizes of business*.

* * *

MULTIGRAPH, in the Minds of Many Business Men, is "just a device for duplicating typewritten letters." It does that perfectly—and a great deal more! Many progressive business firms, for example, use Multigraph for printing factory and office forms, price-lists, quotations, letterheads, envelopes, house organs, cartons, cellophane wrappers, booklets, gummed stickers, labels . . . and for producing direct mail advertising, display cards, price cards, catalog pages. Multigraph has countless profitable uses. Its clearly demonstrated savings—based on direct comparisons—often run into many thousands of dollars! Have your managers turn over to our representative samples of your forms and mailing pieces. Ask him for estimates of savings.

* * *

MULTILITH, in the Minds of Many Business Men, is just a new name. But not in the minds of the "G Men" down in Washington! They use it to send out perfectly lithographed reproductions of fingerprints, photographs and descriptions—by the millions! By that same token, it enables you to turn out high-quality office *lithography*—letterheads, catalog pages, bulletins, forms of every description, with surprising speed and economy. When our representative calls, show him your present methods and let him prove how much Addressograph, Multigraph and Multilith can save you. Call our nearest office—or write us for convincing facts.

ADDRESSOGRAPH-MULTIGRAPH CORPORATION

Cleveland, Ohio

OFFICES IN ALL PRINCIPAL CITIES OF THE WORLD

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TRADE MARK

TRADE MARK

CARRYING *Fifty Tons*

OPERATING OVER JAGGED ROCK, MUD, SAND
IN DESERT HEAT, MOUNTAIN COLD . . .

FEW people realize the gigantic undertaking in moving the earth to build the great dams and bridges of today and the important part that rubber tires play in this work. Firestone has developed pneumatic tires to withstand the tremendous power and pressure of the giant earth moving equipment which digs up and carries fifty tons of earth and rock in a single load. The largest of these tires, weighing more than five hundred pounds, stands as tall as a man and is as thick as his body. On other units sometimes as many as sixteen tires are used. Firestone Tires work daily on mighty projects that are making history: the All-American Canal, Boulder Dam, the Tennessee Valley development, the Grand Coulee Dam, the San Francisco-Oakland Bay Bridge, the Golden Gate Bridge and dozens of others.

In every Firestone Tire, it is the Firestone cord body made stronger — more flexible and blowout-proof by Gum-Dipping, and the Firestone Non-Skid tread, scientifically designed for maximum traction and safety in its particular service,

which have earned for Firestone Tires the reputation of giving lowest cost per mile.

No matter what your type of service — light or heavy hauling, short runs or cross-country schedules, there is a Firestone Truck Tire to give you lower operating costs and more dependable service.

Listen to the Voice of Firestone—featuring Margaret Speaks, Soprano, and the Firestone Choral Symphony, with William Daly's Orchestra—every Monday night over N. B. C.—WEAF Network

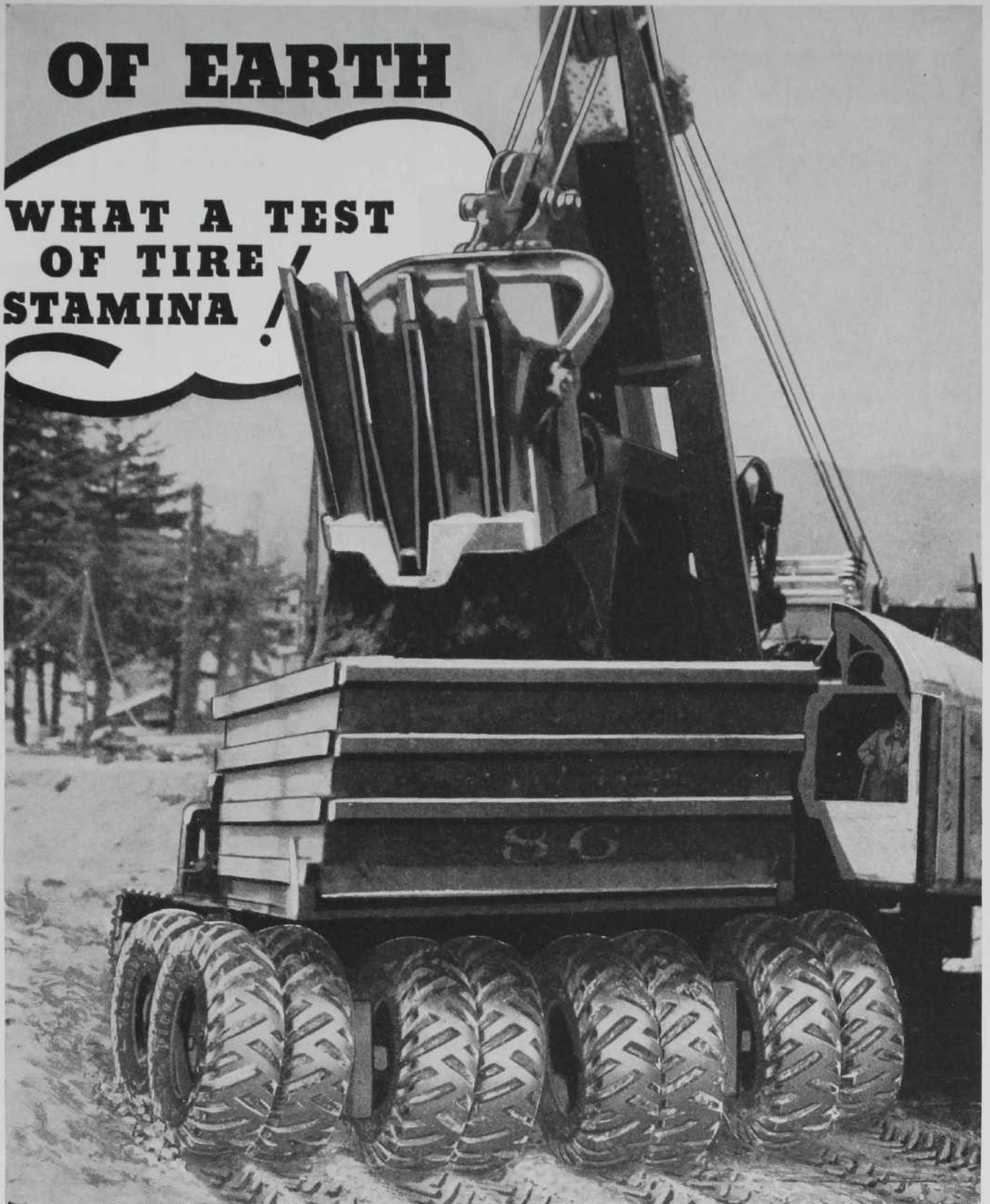


FIRESTONE
HIGH SPEED

FIRESTONE
GROUND GRIP

OF EARTH

WHAT A TEST
OF TIRE
STAMINA !



Firestone

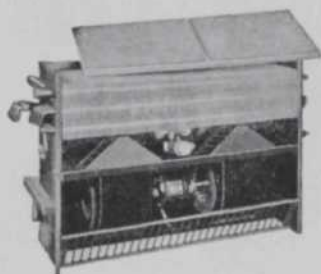


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REPUTATION



CARRIER COMES DOWN THE "PATH"

Carrier engineers know that it requires years to build up a good reputation — and that it doesn't take much to tear one down. They also know that the failure of a single part can quickly destroy the good will behind a product. Therefore, in developing Carrier "Weathermakers" for homes and offices, these men spent years in research, in testing and perfecting each vital part of the "Weathermaker" units. And Emerson's reputation for building good motors — almost half a century — was perhaps instrumental in persuading the Carrier Engineering Corporation, a leader in the new industry, air conditioning, to investigate Emerson's fitness to design a motor for their needs.

Build a *better* product — and the world will make a beaten path to your door. Ralph Waldo Emerson, eminent in American literature, penned this philosophy; and Emerson, pioneer in the motor industry, has been singularly successful in its application.

Research engineering that delves into every phase of material analysis; design, operation and endurance — scientifically equipped laboratories — a plant with unsurpassed facilities for precision manufacturing, manned by skilled craftsmen who employ these facilities to the fullest advantage — that's how Emerson's reputation as a builder of *High Quality Motors* has been achieved.

There are 545 appliances powered by *small motors. Emerson's engineers have developed motors for almost half of them — ample evidence that the "beaten path" leads to Emerson's door.

To learn more of the advantages of Emerson's individually designed motors — and what makes them so suitable for products in your field — write today for Booklet 6-N.

*Less than 1 H. P.

EMERSON MOTORS

3 HP and smaller — Single-phase — Polyphase — Direct Current
THE EMERSON ELECTRIC MFG. CO.
NEW YORK ST. LOUIS CHICAGO

LEADERS IN THE FAN AND MOTOR INDUSTRY SINCE 1890

Contents for September . . .

A town of 5,000 now has seven federal agencies; . . . nearly 200,000 draw pay for administering relief; . . . there are 40,000 salaried workers in the conservation camps. How big is the Federal Government today? . . .	"A Multitude of New Offices"	15
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The capital goods industry has not been idle, despite the depression. Machine tool builders, an important division in this field, will show their newest offerings at Cleveland this month.	More Things for More People	18
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Business outlook for next year is generally good. But what of the next session of Congress? Will the budget be balanced? How about relief? Along what lines will the next presidential campaign be fought?	What's Ahead in Washington	19
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A banker who has ministered to the financial needs of a small town for two generations ponders his successes and failures. And wonders if a political appointee could have done better.	One Man's Faith and Works	22
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"Why not humanize your financial statements?" we asked in our August number. The chairman of the board of General Foods Corp. does so—and adds some salty comments.	We Have Humanized Our Figures	27
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Social movements calling for greater taxation and mortgaging future earnings find no more ardent advocates than the women. The author foresees a reaction when women realize that they own three-quarters of America's wealth.	When the Women Wake Up!	30
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VOLUME 23

NUMBER 9

NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE UNITED STATES

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A switch in time

**SAVES MARKETS
AS WELL AS TRAINS**



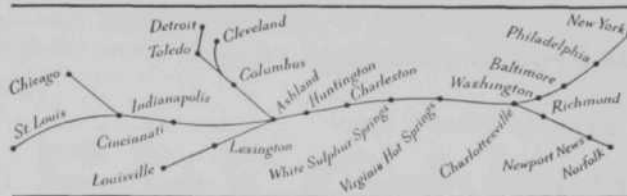
Knowing when to switch is just as important in business as it is in railroading—and today many an industrial dispatcher has confidently moved his "side-tracked" plant onto the main line of the Chesapeake and Ohio so his sales engineer could again open the throttle!

There is a clear, "inside-track" to your market when you switch onto the Chesapeake and Ohio Lines. From a standpoint of low costs, it offers countless opportunities to effect worthwhile manufacturing economies. Fuel is cheaper. Power rates are advantageous. Taxes are reasonable. Gas and oil are readily available. American-born labor is plentiful. Tremendous sources of basic raw materials are right at hand.

Dependable transportation is assured by Chesapeake and

Ohio's "on time" freight service and the finest fleet of genuinely air-conditioned passenger trains in the world. This advantage is of outstanding importance in shipping to your market and contacting your customers.

Chesapeake and Ohio will be glad to help you switch your plant. Write George D. Moffett, Industrial Commissioner, Huntington, W. Va., and your request will receive immediate attention.



NOW
IS THE TIME
TO DO IT

George Washington's Railroad
CHESAPEAKE and OHIO
Lines

Original Predecessor Company Founded

by George Washington in 1785

1785 • ONE HUNDRED AND FIFTIETH ANNIVERSARY • 1935

There's a BILLION born every minute

WITH ALL DUE APOLOGIES to the immortal Barnum, we're not talking about fools. Nor, although the figure is reminiscent, are we talking about governmental expenditures. We refer to the propagating abilities of any ordinary, run-of-mine microbe,—that minute organism which is quite capable of pulling a couple billion times its own weight in human suffering, if left to his own devices.

Of course, we don't leave him to his own devices. We uproot him every chance we get, but did you ever think about the tremendous amount of time and money we expend in doing it? Even though we gain immeasurably in the process, we do pay through the nose for the sanitation and cleanliness we've learned to expect in private homes, public places and industry. As a matter of fact, in plants where food, beverages, milk, drugs and similar commodities are processed and packed, the maintenance of cleanliness is an important part of their costs.

There are ways to reduce the bill, however. Allegheny Metal, for example, possesses a surface so glassy that it's well-nigh impossible for dirt or microbes to get a foothold on it at all, and so resistant to wear that it stays smooth indefinitely. Add its great strength, resistance to corrosion, beauty of appearance, easy-working qualities and availability in all shapes and forms, and you have most of the very good reasons why this time-tested stainless steel has won universal preference.

.....

ALLEGHENY METAL—the time-tested stainless steel of universal application — is a product of **ALLEGHENY STEEL COMPANY**, Brackenridge, Pa.; who also manufacture electrical sheets, auto body sheets, metal furniture sheets, black sheets, castings, pipe, and boiler tubes; whose products are carried in stock by all Jos. T. Ryerson and Sons, Inc. Warehouses, by Union Hardware & Metal Co., Los Angeles, and by American Brass & Copper Co., San Francisco, Oakland.

Allegheny Metal is licensed under Chemical Foundation patents 1,316,817 and 1,339,378.

ADVERTISEMENT

Through the Editor's Specs

Prophetic

ONLY one danger confronts us. . . . The danger is that the growth of our industry will outrun public understanding; that people will see and fear its size without understanding its service.

—OWEN D. YOUNG in 1924

Who are the friends of the people?

AFTER the Battle of Waterloo, Napoleon fled to Paris and remained there a few hours. In the street below the crowds cheered his name.

In amazement Napoleon turned to those beside him: "Why do they cheer me?" he cried. "What have I done for them? I found them poor—I leave them poor."

That, too, is the tragic epitaph of all the demagogues. In their self-seeking they promise everything and leave the people to pay the price for such promises. The people pay in disillusionment, in blasted hopes, in high taxes, and in the evils of patent-medicine economics.

What price demagoguery!

WHAT a striking contrast between the record of the demagogue and the record of business! Business does not "find the people poor and leave them poor."

Westinghouse finds the people in darkness and leaves them in light.

American Radiator finds them cold and leaves them warm.

International Harvester finds them bending their backs over sickle and hoe and leaves them riding triumphantly over conquered fields.

Standard Oil and Henry Ford find them shackled to their front porches and make them masters of time and space, citizens of a larger world.

Wherever new comforts and conveniences have been made available to the people, wherever new services have been organized and established, there the humane and civilizing usefulness of business is demonstrated.

Business is a real friend of the people.

It is high time, in these days of

careless thinking and reckless action, that some one stand up and tell the people who are their real friends.

Supporting evidence, please

EDWARD F. McGRADY, Assistant Secretary of Labor, states that 9,000,000 persons in America are being deprived of work because of the lengthening of hours and a decrease in wages since the NIRA was held unconstitutional.

"Since the collapse of the NRA," Mr. McGrady says, "hours of work have been lengthened about 20 per cent. In some cases," he adds, "there has been no increase in wages and in other instances there have been wage reductions."

This generalization offends common sense. No such situation can be observed and no statistics are available. If the Department of Labor has such evidence, it should make it public. The 9,000,000 figure is surely a guess. A government statement should be above guesswork. Particularly should it be accurate on a subject which has so many implications for the good or bad of government policy and industrial relationships.

But logic is passé

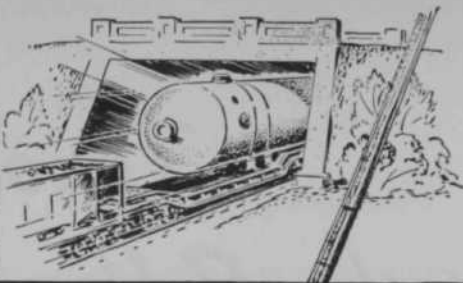
AS ONE college dean to another, Basil Manly, vice chairman of the Federal Power Commission, told the American Association of Collegiate Schools of Business that the unenviable position of public-utility officials may have been due not so much to cupidity as stupidity.

He lists as one of the misconceptions of their proper functions the maintenance of rates so high as to impede the development of the industry.

With no idea of being contumacious or controversial, it might be pointed out that electricity today lights 22,000,000 homes and operates 65,000,000 appliances. Its cost to householders is one-half their cigarette bill, and less than their cosmetic bill.

Rates are just about half what they

ERIE



Spreads the Needle Eye to Let the Camel Through

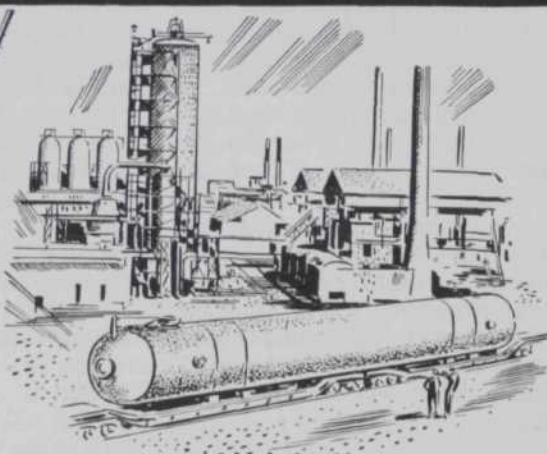
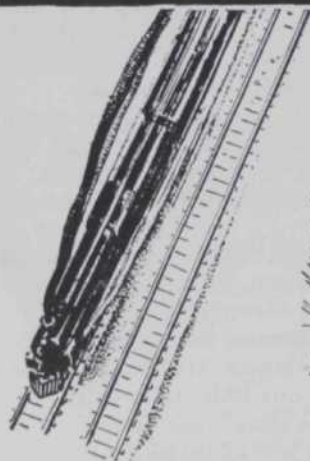


• The "needle eye" of a railroad is its clearances — the space above and beside the tracks at the lowest and narrowest points. No road is bigger than its smallest clearance. • Massive machines, gigantic tanks—many an Erie shipment between New York and Chicago can travel no other road but Erie. Erie has the greatest clearances, the special equipment and the heavy duty tracks that let these mammoth shipments move free and fast. • The bigger your shipment, the greater your need for Erie, for Erie is one of the widest and tallest railroads in the nation—the Colossus of roads.



RAILROAD SYSTEM

THE HEAVY DUTY RAILROAD



were 20 years ago, while, during the same period, the rates charged the taxpayer by political agencies in the United States have increased six times. A case might be made on the one hand for economy and efficiency, and for gross extravagance and inefficiency on the other. And there would be more logic in a plan to turn over the tax-spending job to the power-and-light people than in one to turn over our electricity to the politicians.

Charter of a great nation

THE American colonists never fought for collectivism, factional dictatorship, regulated thinking, or regimented lives. Like all Anglo-Saxons, ever intolerant of governmental strait-jackets, they renounced the rule of George III because it went beyond legitimate bounds in curbing their individual and economic freedom. The virtues their leaders cherished were the virtues of the honest man who wished to work, and who wanted the government to mind its own business as long as he lawfully minded his. The colonists regarded government as something to be lived under, not to be lived on.

One of the counts in their indictment of the King was: "He has created a multitude of new offices and sent hither swarms of officers to harass our people and eat out their substance."

Another was: "He has attempted to alter fundamentally the form of our government."

Another was: "He has declared himself invested with power to legislate for us."

There being no court independent of the crown to curb these extravagances and usurpations, the colonists proceeded to curb them by force.

—JUDGE GEORGE W. MAXEY, of the Supreme Court of Pennsylvania

We are pleased to announce for the October number a contribution from Judge Maxey, "What's in Your Contract?" discussing what the Constitution means to the man in the street.

Circumstances alter principles

DAVID E. LILIENTHAL once had stern and uncompromising views on the sinfulness of Delaware's corporation laws. When he was public service commissioner of Wisconsin he made a speech at Madison in which he urged that Delaware corporations be barred from operating or selling securities in Wisconsin until Delaware laws came up to the standards set by other states.

Some years later, Mr. Lilienthal, having become a director of the Tennessee Valley Authority, incorporated under the obnoxious laws of Delaware the Electric Home and Farm Authority, an offshoot of TVA, or, shall we say, a subsidiary of a holding company?

Mind changing is a wise man's attribute, and, as Mr. Lilienthal informed a Congressional committee

last April, he changes his "from time to time as conditions change." It is perhaps to be regretted that Mr. Lillenthal's facility in this direction is presently hobbled by the strong arm of the law, it being a provision of the Act to which he owes his current eminence that "all members of the (TVA) board shall be persons who profess a belief in the feasibility and wisdom of this Act."

New tricks for old dogs

CHANGES in manufacturing processes, the critics of our machine economy contend, throw workers out of jobs, put them on the scrap heap. A flesh-and-blood qualification of the grim generalization is contributed by the Seaman Body Company, affiliate of Nash Motors, in converting more than 300 workers at obsolete crafts into skilled hands at more modern trades.

When the company decided to use all-steel construction for car bodies, the use of wood was abandoned. Wood workers faced loss of their jobs. One of every three men in the body assembly division was affected. The management took thought. It decided to teach the men new trades.

Wherever possible the men were given their own preferences in selecting new crafts. First choice did not always turn out well. When this happened, the foreman put the man on another job. Some men tried their hands at six different jobs before achieving mastery. Weekly and hourly wage rates are equivalent to scales for the old jobs.

Here's no exception to prove the rule of the machine, but rather a humane practice of faith that the exercise of will assures the finding of the way.

Even Ford couldn't do it

A SUBSCRIBER writes:

The National Industrial Recovery Act definitely set up a Subsistence Homestead Division and set aside \$25,000,000 for the encouragement of such projects. In West Virginia Mrs. Roosevelt busied herself with a new community where jobless coal miners were to thrive in pastoral happiness with a house and an acre or two of land.

Dotted all over the country were—and are—other such projects in various stages of development.

On the outskirts of our city the government took an option on a tract of land. A local committee was set up to urge on the project. A project manager chosen by Washington took charge and stayed for three months. The local organization undertook to find the right sort of families to move to the new development.

And nothing happened! After nine months, the chairman of the local board wrote Washington for information. All the local board got was a letter from a

How a Man of 40 Can Retire in 15 Years



IT makes no difference if your carefully laid plans for saving have been upset during the past few years. It makes no difference if you are worth half as much today as you were then. Now, by following a simple, definite Retirement Income

Plan, you can arrange to quit work forever fifteen years from today with a monthly income guaranteed you for life. Not only that, but if you should die before that time, we would pay your wife a monthly income as long as she lives.

\$200 a Month beginning at age 55

Suppose you decide that you want to be able to retire on \$200 a month beginning at age 55. Here is what you can get:

1 A check for \$200 when you reach 55 and a check for \$200 every month thereafter as long as you live.

This important benefit is available alone: but if you are insurable, your Plan can also include:

2 A life income for your wife if you die before retirement age.

3 A monthly disability income for yourself if, before age 55, total disability stops your earning power for 6 months or more.

It sounds too good to be true. But it is true. There are no "catches" in it, for the Plan is guaranteed by an 84-year-old company with over a half a billion dollars of insurance in force. If you want to retire some day, and are willing to lay aside a portion of your income every month, you can have

freedom from money worries. You can have all the joys of recreation or travel when the time comes at which every man wants them most.

The Plan is not limited to men of 40. You may be older or younger. The income is not limited to \$200 a month. It can be more or less. And you can retire at any of the following ages that you wish: 55, 60, 65, or 70.

How much does it cost? When we know your exact age, we shall be glad to tell you. In the long run, the Plan will probably cost nothing, because in most cases, every cent and more comes back to you at retirement age.

Write your date of birth in the coupon below and mail it today. You will receive, without cost or obligation, a copy of the interesting illustrated booklet shown at

the left. It tells all about the Phoenix Mutual Retirement Income Plan. Send for your copy of the booklet now. The coupon below is for your convenience.



Send me by mail, without obligation, your new book describing THE PHOENIX MUTUAL RETIREMENT INCOME PLAN.

Name _____
Date of Birth _____
Business Address _____
Home Address _____

"WAS I SHOUTING AGAIN?
I KEEP FORGETTING YOUR
NEW SILENT SMITH!"



At thousands of individual points in the new Silent L C Smith typewriter sound has been hunted out, tracked down and eliminated by acoustical treatment, cushioning, greater precision, etc. The sound-proofing has actually made a *more rugged* typewriter than before.

You may be sure the Silent L C Smith will start silent and stay silent. It will be a delight to typists, noise-wracked executives, and production-minded office managers.



"research assistant" requesting it to fill out a questionnaire asking information which had been supplied and acted upon months before.

When Professor Tugwell sets up an office organization of 15,500 in three months, any business man knows there are bound to be slips of this character.

Etiquette of arrest

WHAT pickets and partisans of workers' organizations are to do if arrested is revealed in a pamphlet purporting to be issued by the New York office of the International Labor Defense. Here is the "code," headed by the warning:

REMEMBER THESE POINTS

1. Give no information to the officer, only your name. Give no information except your name. If you are foreign-born, don't tell them where you were born or how you came here or anything else they may ask you at any time. In order to protect your job and other rights, you can give any name you wish to be known by. Give that name only.

THAT IS ALL

2. Plead not guilty and demand a trial.
3. Demand that the International Labor Defense defend you.
4. Insist that you be let out in your own recognizance. If they refuse this, demand that bail be set low.
5. Demand a copy of the complaint.
6. Do not sign anything.

The pamphlet adds: "First and foremost, remember at all times that the police, deputies, judges and prosecutors are not your friends, or they would not have arrested you." By this admonition, law enforcement is made to appear a matter susceptible to convenient color-blindness. Possibly the idea that arrest of a proletarian comes from enforcement officers seeing red is its own warning that official vision is more often defective than it is discriminatory.

The complexity of business

NEW coins, half cent and mill, with a hole in the middle. An innocent enough proposal. But—

It is pointed out by experienced comptrollers that "the new coin would necessitate an absolutely new accounting system which would embrace the three-column system with the dollar, cent and mill comparable to the pound, shilling and pence in Great Britain. Advertising of a competitive character based on the advertising of half-cent prices would also present complexities, especially coupled with the sales tax complication, upon an item advertised at 5½ cents."

Other commentators—notably the Illinois Chamber of Commerce—suggest that the new coins would necessitate a change in every conceivable kind of office equipment used for

accounting purposes, and would likewise necessitate education of people as to use of the new system.

Politics and wars

WE thought a senate investigating committee had proved that business was responsible for wars. It is upsetting, therefore, to read this headline in the *New York Times*:

MUSSOLINI FACES RUIN IF HE YIELDS IN AFRICA DISPUTE

Peril of Political Eclipse and Possible Revolt Prevent His Abandoning Venture.

NOR CAN EMPEROR GIVE IN

Concessions by Haile Selassie Would Incur Ire of Chiefs Who Covet His Throne.

Perhaps the committee should have extended its investigation to learn if political ambitions and political job safety are factors in the causes of war. The historian Lecky reports that rulers often plan war as an escape from economic and other problems. The committee might have summoned Shakespeare to get Henry IV's advice to his son:

Therefore, My Harry,
Be it thy course to busy giddy minds
With foreign quarrels; that action,
hence borne out,
May waste the memory of the former
days.

We present again our plan to stop war forever and a day, namely, a provision that every public official, to whom we intrust the decision of war when war is declared, shall be ineligible to hold public office again.

New styles in boon-doggling

INDIANA was ever a center of American letters and when Indiana comes to the center of all-giving, the Federal Government, the sugar bowl, the Santa Claus of the United States, to ask its share of the billions, Indiana does not forget its libraries.

Plymouth, Indiana (pop. 1930, 5,290) gets, among the non-federal projects, \$9,600 for "cleaning books in Plymouth Public Library."

Indianapolis is to have \$3,960 for "placing books in state library."

Bicknell gets \$528 for "book repairing in Bicknell Library."

Georgia would improve the body not less than the mind. Stone Mountain is to have from the Federal Government \$3,483 for "grading golf course."

Gainesville gets \$2,772 for "ball grounds and tennis court," and \$6,732 for "golf course."

Republic

HAS ACHIEVED HIGHER QUALITY STANDARDS IN THE MANUFACTURE OF



BELTING

Transmission, Conveyor or Elevator Belting never leave the Republic Plant until sample sections of each finished belt have been laboratory tested and completely approved.



HOSE

Careful scientific control in the manufacture of Republic's Wrapped, Braided or Woven Hose assures correct strength, pressure resistance, flexibility, appearance and all other required properties.



PACKING

Republic's many types of packing are the work of laboratory technicians and skilled craftsmen, aided by the latest scientific equipment and every modern process known to the industry.

The Republic Rubber Co.
Youngstown, Ohio

Leadership

IN POLICY, PRODUCT AND PERFORMANCE

**Order Republic Rubber Products
From Your Distributor**



Now you can escape the greatest danger of *BLOWOUTS!*

That's why we name these amazing new tubes **LIFE GUARDS★**

LIFE itself may depend upon what happens in those first few precious seconds after a tire bursts on a swift-moving car.

For the greatest danger of blowouts is *the sudden loss of control*—when all the air in a tire escapes in a flash, and you find yourself fighting to control a car with a writhing, flabby, shapeless thing on one wheel.

So Goodyear set out to *prevent* that loss of control by preventing the complete escape of air, even when a tire bursts wide open.

To do this, we developed a tube within a tube—a two-ply fabric reinforced inner reserve chamber of air—so that the tire goes "soft" instead of "flat."

It wasn't the easiest job in the world and 1300 different designs were tried and rejected before the LIFE GUARD★ Tube was finally perfected.

Then blowout after blowout was deliberately staged. Tires were ripped, torn,

blown apart with knives, with spikes, with dynamite, with cars traveling at speeds ranging from 50 to 70 miles an hour.

And now we can tell you, with full confidence, that these astounding new tubes make a blowout no more hazardous than a slow leak—for in all our hundreds of tests, no car had a single accident.

These new tubes in your tires will ride just the same, steer just the same, look just the same as tubes you have formerly used. They inflate through a single valve, are easily installed.

But like steel bodies or safety glass—they provide priceless protection in emergency.

Naturally, they cost somewhat more, for they are built—not to save money—but to save lives.

THE GOODYEAR TIRE & RUBBER COMPANY, INC., AKRON, OHIO



LIFE GUARD TUBE

★LIFE GUARD is a trade-mark of The Goodyear Tire & Rubber Company, Inc., and is protected by patents applied for

THE GREATEST NAME IN RUBBER

GOODYEAR

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

Our Vanishing Freedom

THIS NATION began life with a hearty distrust of political power. Just now it is losing sight of "rulers" in the orgy of "benefits received." How it will feel when the new agencies begin to exercise their authority is depressing to contemplate.

The recent growth of our bureaucracy is without precedent. The record of hundreds of thousands of citizens transferred from civil to official life is beyond comprehension. It is appalling to consider how Washington has established so bewildering an array of new relationships with home, the shop, the farm, the factory, the bank, even with the schools and the states themselves.

It takes no partisan to see the simple logic that the more authority taken over by political government, the less of freedom for the individual. Efforts are circumscribed, enterprise halted, race-horses brought to the pace of a dray horse. Decisions are delayed, real incentive gives way to red tape and political skullduggery.

Bureaucracy affords the wherewithal to reward the faithful at the pie-counter. Once attached, "few die, none resign." The bureaucratic barnacle, once fastened to the ship of state, exalts the substance which gives it lodging.

The founders of the Government understood this. They set limits to Federal activities. Gouverneur Morris expressed their feeling, when he said to the Constitutional Convention in 1787:

The mind of man is fond of power. Enlarge his prospects and you increase his desire.

Bureaucrats begin as servants; soon they covet the authority to become masters.

Again, it is not a partisan disease. The problem goes deeper than parties. A November landslide sees only a change of faces, all the old desks are occupied, and new ones moved in. No bureau or commission ever finished its

work, wrote "finis" and returned to private life. It stays on for "research," or to write its own history. Every taxpayer's purse, if not his memory, testifies to this.

Those who read "A Multitude of Offices" in this number will doubtless ask, "Can anything be done about it?" It seems not. We gathered hope in a pre-election proposal "to analyze the enormous increase in the growth of bureaucracy" and in the accompanying declaration:

We are not getting an adequate return on the money we are spending in Washington, or, to put it another way round, we are spending altogether too much money for government services which are neither practical nor necessary. In addition to this we are attempting too many functions and we need a simplification of what the Federal Government is giving the people.

But our joy was short-lived. Instead of simplification, there is confusion confounded; instead of halting the growth, much less a 25 percent decrease, there are 50 new bureaus, authorities and commissions added.

Bureaucracy is not a cause. It does not create itself. It is a result. A result of what? Demand on the part of groups and sections for Federal activities, only with an eye as to what they will get out of it, and not what they will pay for it. The supposed benefits are a delusion; in the aggregate, the future state of all the people will show a terrific loss.

Each of these groups and sections has leaders; will they put statesmanship above political expediency, or shall we face what Herbert Spencer called "the New Slavery," or what the Lord Chief Justice of England more recently described as "The New Despotism"?

Merce Thorne



THE LONG STRIDE

When words fail, pictures and charts often make things clear. The *cellulose-ester* stencil brought a wealth of illustration to the fine art of Mimeographing—and thereby revolutionized it. The Mimeotype stencil, an exclusive Mimeograph development, has opened a new world of possibilities for the process. Unlike any other stencil ever produced! It makes practical the illustrating of typewritten sheets, and does a superb job at little cost. Get latest information concerning its many uses from A. B. Dick Company, Chicago, or see your classified telephone directory for local address.

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"A Multitude of New Offices"

"He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance"

—The Declaration of Independence

By WARREN BISHOP

Managing Editor, Nation's Business

IF the patriots who signed the Declaration of Independence were alarmed at the multitude of offices which King George inflicted upon them, what would they think of the multitude that is active today in every city and village in the United States?

Never in the history of the United States has there been a greater growth in political control than in the last two and a half years.

Washington, capital of the United States, is perhaps the fastest-growing city in the nation. Its population has increased by 75,000. It has more than 103,000 federal workers on the pay roll. Two years ago it had 65,000. In a single month 5,600 employees are added to the federal pay roll, 1,000 in Washington and 4,600 outside. And this doesn't include thousands of men on part-time and emergency work.

There are 50 more government agencies than there were in March, 1933. They sprawl all over the capital. The new Resettlement Administration is in an ornate Massachusetts Avenue mansion and has offices in four or five other buildings. The Farm Credit Administration finds the old Southern Railway Building scarcely adequate. The Department of Justice is provided with a new building and the Federal Housing Administration promptly fills the vacated quarters. The Department of Commerce moves into its new home and the Reconstruction Finance Corporation overflows from the building that once housed it. Two million dollars a year is the rent bill of the Federal Government for extra quarters outside the buildings it owns.

A trend evident for a century

IT'S not only the City of Washington that is affected. A single community of 5,000 in a rural district may have seven or eight government agencies. There are 20 listings of the Department of Agriculture alone in the Manhattan telephone book and that island has few farmers.

This growth of government employment is not solely the product of a new administration and the New Deal. It has been going on for a century.

In 1800 with a population of more than 5,000,000 persons we had a government of four departments, Treas-

Warnings Against Bureaucracy

THEREFORE the bill means an enormous building up of government bureaucracy to let and inspect these billions of dollars of contracts with all their infinite variety of terms covering different goods and their different grades and qualities. . . .

It all calls for an aggregation of bureaucracy dominating the fortunes of American farmers, intruding into their affairs and offering infinite opportunities to fraud and incapacity. . . .

From President Coolidge's veto of the McNary-Haugen Bill.

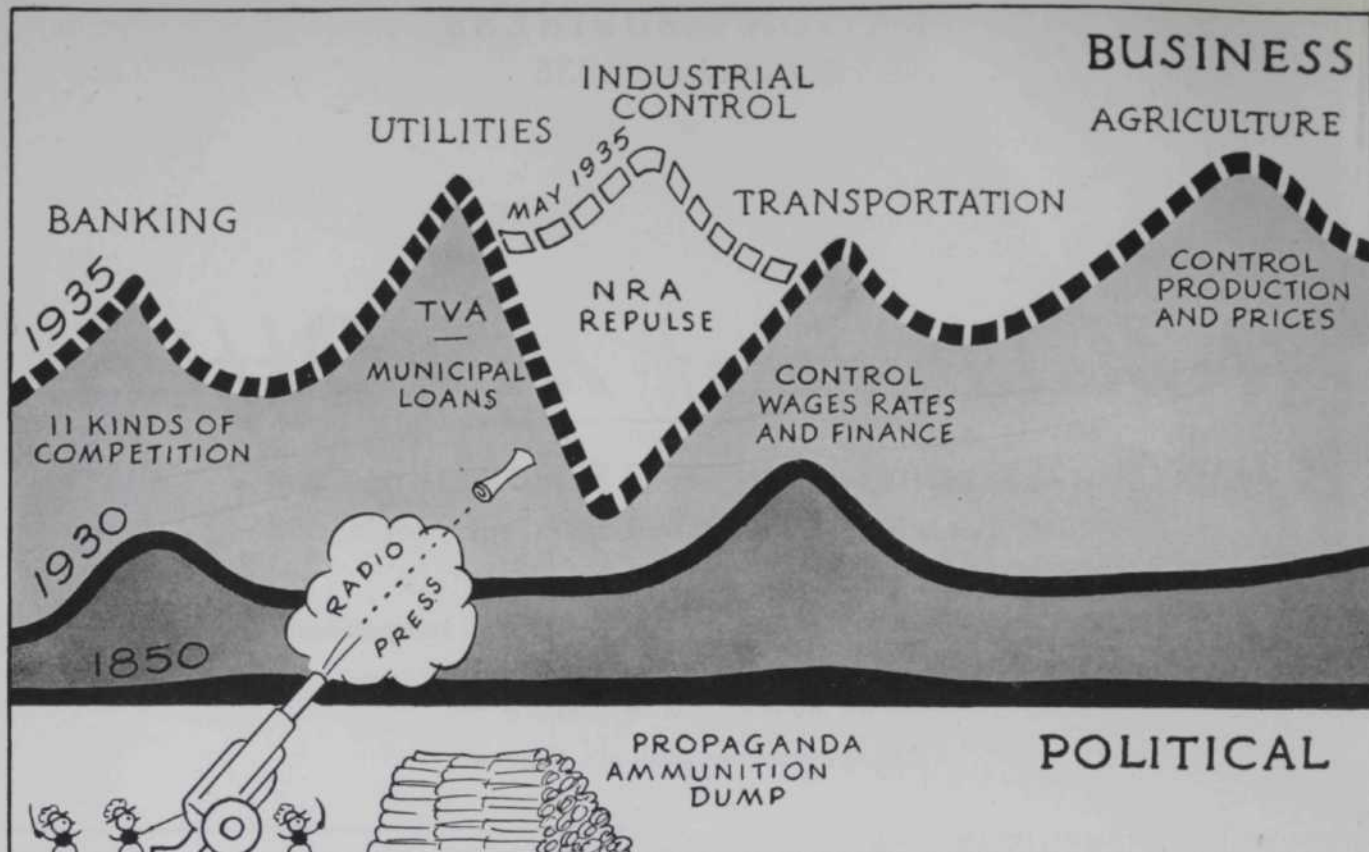
I ACCUSE the present administration of being the greatest spending administration in peace times in all our history—one which has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs of reduced earning power of the people.

Franklin D. Roosevelt's Speech at Sioux City, Iowa, September 29, 1932.

surey, State, Navy and War. They had 126 workers and they dealt with a budget of \$11,000,000.

Today we have a population of 127,000,000 and 717,712 civil employees are listed in the executive branch of the Federal Government alone. Altogether there are more than a million and a half people drawing pay from the Government. Population has grown 25 times, but political jobs have multiplied more than 5,000 times.

Perhaps it isn't fair to compare 1800 with 1935. Then go back to the turn of the 20th century. In 1901 there were 256,000 federal employees to a population of 78,000,000. Compare that with 1935. The population increased in 34 years about 60 per cent, federal jobs 350 per cent. Between June 30, 1933, and June 30, 1935,



Our artist at the front sends us a sketch map depicting the current situation in the battle between

population growth was from 125,690,000 to 127,161,000, a little more than one per cent. In the same time holders of U. S. jobs increased from 565,432 to 717,712, or more than 25 per cent.

Every city, every town in the United States is affected by this growth. The community that once knew the United States Government only as the agency that distributed the mails now is in touch with it every day. A reader lists these agencies in his town of 5,000, a north-western farming community:

Federal Farm Loan
Home Owners' Loan
Subsistence Homestead
Production Credit Loan
Emergency Seed Loan
Wheat Reduction
Corn and Hog Reduction
Federal Emergency Relief

The reader who furnishes this list adds:

In addition loans have been made for home improvement through a separate organization with headquarters in the state capital. A regional production credit organization at the capital was to have turned over its business to the local office, but still keeps a force making renewals and collections.

Moreover, there are two or three cooperative associations here which have loans through the Bank for Cooperatives.

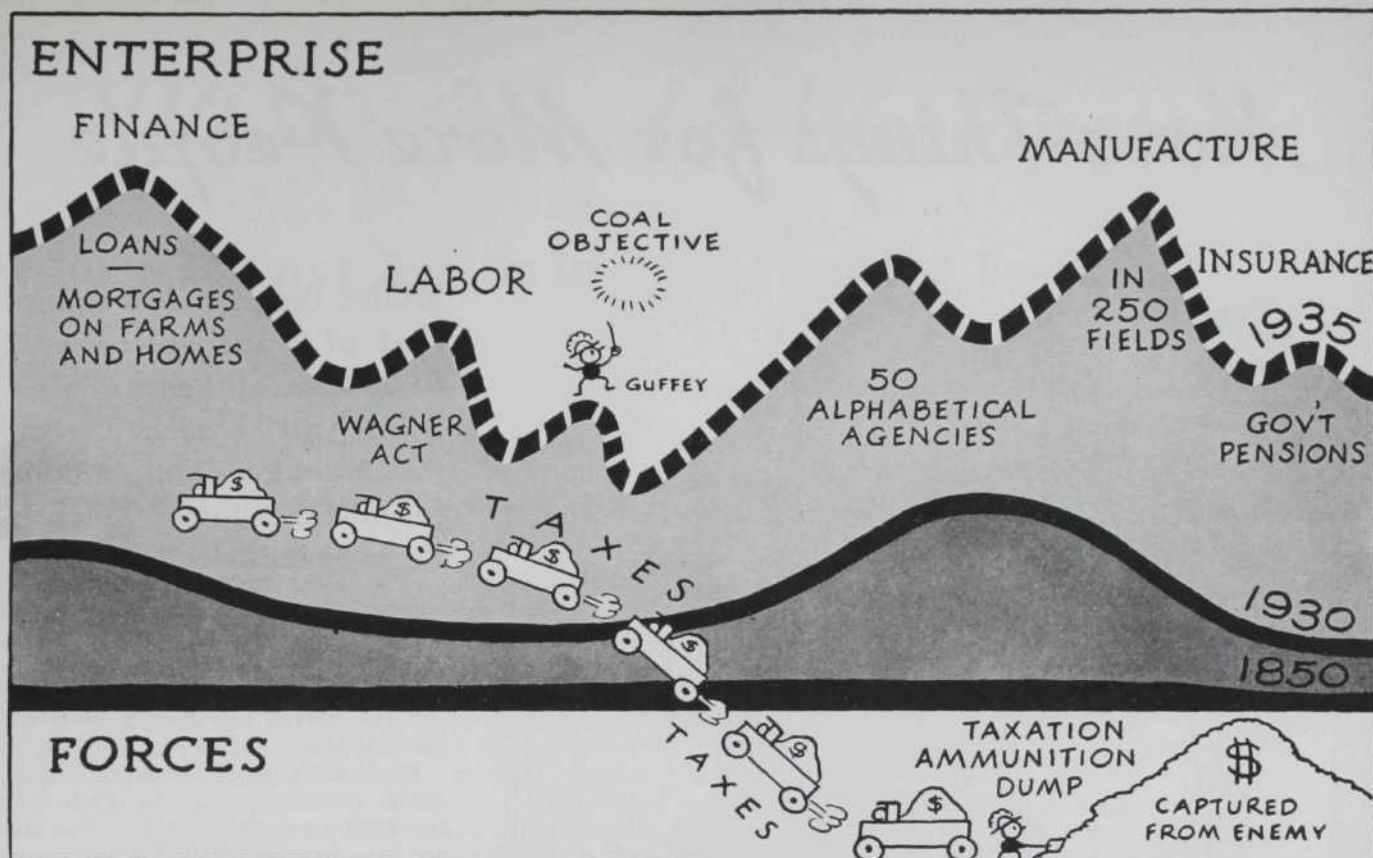
The growing roll of bureaucracy

THESE agencies that crowd into one modest community and affect the lives of its citizens are only a part of the growing roll of bureaucracy. The United States Government has set up a National Emergency Council to "coordinate federal agencies." The Council in carrying out that task issues a fast growing loose-leaf manual of some 600 pages to tell what the agencies are and what they try to do.

This manual lists (or listed in July, 1935) some 127 departments, bureaus, boards, commissions and administrations.

Of these 50 have sprung into life since President Roosevelt took office. Here they are:

Advisory Committee on Allotments
Agricultural Adjustment Administration
Banks for Cooperatives
Division of Subsistence Homesteads
Electric Home and Farm Authority
Emergency Conservation Work
Emergency Crop and Feed Loans
Farm Credit Administration
Federal Advisory Council
Federal Alcohol Control Administration
Federal Communications Commission
Federal Coordinator of Transportation
Federal Credit Union system
Federal Deposit Insurance Corporation
Federal Emergency Administration of Public Works
Federal Emergency Relief Administration
Federal Farm Mortgage Corporation
Federal Home Loan Bank Board
Federal Home Loan Bank system
Federal Housing Administration
Federal Savings and Loan Insurance Corporation
Federal Savings and Loan system
Federal Surplus Relief Corporation
First Export-Import Bank
Foreign Trade Zone Board
Home Owners Loan Corporation
Housing Division (Housing Corporation Public Works Administration)
National Archives
National Archives Council
National Emergency Council
National Labor Relations Board
National Mediation Board
National Power Policy Committee
National Recovery Administration
National Reemployment Service
National Resources Committee
National Steel Labor Relations Board
Petroleum Administration Board
Production Credit Corporations
Science Advisory Board
Second Import-Export Bank
Securities and Exchange Commission
Soil Conservation Service



private enterprise and political control. Business seems to be having a hard time on most salients

Tennessee Valley Associated Cooperative
Tennessee Valley Authority
Textile Foundation
Textile Labor Relations Board
Textile Work Assignment Board
The Works Program
Works Progress Administration

No one knows how many men and women these new agencies employ. I make that statement advisedly and as the result of much research. An official list showing number of employees is issued monthly by the Civil Service Commission. That issued for May showed 106,856 employees for the new agencies, but there are obvious omissions and overlappings. It does not take into account 180,000 relief workers in the various states who are not "on the federal pay roll," but who draw their wages largely from federal funds; it does not include the great additions to the staff of the Department of Agriculture who work for the Agricultural Adjustment Administration or the men in the employ of the county agents who deal with the farmers who have contracted to reduce farm acreage and production.

A question no one can answer

"I DOUBT if any one knows," was the reply to a question directed to the Federal Emergency Council about the number of workers in all the phases of the AAA program. The Farm Credit Administration does not give the staffs of its subsidiary banks; the Home Owners Loan Corporation does.

Consider first some of the major spending agencies of the Government and see what figures we can get on their forces. Those that stand out are here listed with the commonly used initials by which most of us know them:

Federal Emergency Relief Administration (FERA)
Agricultural Adjustment Administration (AAA)
Emergency Conservation Work (CCC)
Emergency Public Works Administration (PWA)

The one of which the public has heard most and with which it has had its closest contact is the Emergency Relief Administration, Harry Hopkins' outfit. It spent in the month of April about \$188,000,000. The administrative cost of spending this money was about \$22,000,000 and it hired 179,485 workers in the 48 states and the District. Mr. Hopkins and his staff are the quickest of all the New Deal officers to answer questions and to give exact information. The bookkeeping division will tell you that in April there were 157,422 trained workers, not taken from the relief rolls, who were paid an average of \$91.64 a month, and 22,065 taken from relief rolls at an average wage of \$56.93 a month. They will tell you that the cost of administration in South Dakota was 21.7 per cent and in Vermont 3.7. They will tell you that the administrative expense in Washington for the month was \$270,659 and that the 866 employees in the Capital drew \$187,286 in salaries. They say that it cost 10.6 per cent to spend their money and they feel that that is a low figure.

The 180,000 workers are not credited to the federal pay roll. The national Government adds to the state and community funds and these are administered locally. This army of workers is not subject to civil-service rules. They may be, and frequently are, purely political appointees.

Moreover, they are in contact with the more than 19 millions of persons who are on the relief rolls.

It is difficult to be exact about the next of the great spending agencies, the Agricultural Adjustment Administration. Next to relief, it probably brings the Government at Washington into contact with more American homes than any other agency. There were in July of this year more than three million contracts between farmers and the AAA. In many cases a single farmer has two or even more contracts but it is probable that 2,500,000 farmers are gladdened by government checks from

(Continued on page 66)

More Things for More People



An automatic drilling machine which handles 250 pieces an hour. Its nine drilling units each has drive and feeding mechanism independent of the others

UNTIL comparatively recently, accuracy to the thousandth part of an inch was considered rather good work in automobile plants—a thousandth of an inch being about half the thickness of a fine human hair. Only the more skilled workmen, using the finest of available tools, were able to maintain such limits of accuracy at what was then considered productive speed.

Today, limits ranging from one-half to one-tenth of a thousandth are commonly demanded in automobile engine parts. Without such close accuracies modern high speed engines would pound themselves to pieces within a few hours.

These accuracies have been made possible by the machine tool industry and some of the machines with which the work is done will be shown in operation at the exposition which the National Machine Tool Builders' Association will hold in Cleveland this month.

At this exposition 238 exhibitors will reveal their answers to the problems which modern industry is constantly dumping in the laps of the tool builders.

"The great purpose of the show," according to Herman H. Lind, General Manager of the Association, "is to display to the world new methods

of producing more of the things people enjoy at lower costs and with less manual labor per unit. As some men are continually creating new things to meet new needs, others are developing machines for producing those things."

Metal working is done better

METAL working tools offer an example of this development. More than 900 metal working machines of 600 different types are to be exhibited at the exposition. Many of them were brought into being by necessities created by the metal producers themselves. Development of lighter and tougher metals was pointless in the absence of machines capable of grinding and cutting these metals. The machine tool makers undertook the job.

One result is a cutting tool about one-fourth the size of a razor blade and not much thicker which can bite into the side of a steel cylinder and take off a curling chip the size of a lead pencil with an accuracy of two ten-thousandths of an inch.

Another is a machine which bores 90 holes of varying sizes and depths in a Ford V-8 motor block in one operation more accurately and cleanly than 90 men with hand tools could do

MORE than 200,000 square feet of floor space and 5,000 kilowatt hours of electricity will be needed when the Machine Tool Makers reveal the latest "Master Tools of Industry"

in a month. Still another cuts the dies for the turret top bodies used on General Motors cars.

Such tools, says the Association, enable modern manufacturers to sell for \$500 an automobile which could not have been purchased at any price a few years ago. Yet, says Charles J. Stillwell, President of the Association, they have increased jobs rather than eliminated them. Such tools have made possible the growth of 18 new industries which could not have expanded without them. And, although modern tools are largely automatic, they require as much intelligence in their operation as the older equipment. Mr. Stillwell points out the amount of material these high speed tools can ruin in a short time if improperly operated or mishandled.

An example of how these tools reduce prices is offered by the experience of a manufacturer of motor boat transmissions. The salesman for a machine tool company urged this manufacturer to use a ground gear in the mechanism but this proved impractical because of the cost of grinding it. A sample of the part in question was sent to the machine tool maker to be analyzed. Researches showed that a harder and less expensive metal could be used at a saving which more than offset the additional grinding cost.

But it is not only in metal working that the machine tool builder is reducing costs and speeding production. One of them recently sold some new machines to a textile manufacturer. Now rival textile factories are putting in similar machines because, they said, the firm which bought the first machines was "getting all the business."

Another manufacturer is offering a die and mold duplicator which within

(Continued on page 54)

What's Ahead in Washington

W. M. Kiplinger Assists in Your Forward Peering

Dear Mac: You ask too many questions. Or, rather, you ask too good questions, for good questions are always hardest to answer, and I shall have trouble answering many of yours about Washington. I just don't know. Nice to be omniscient about the future, but who is? Not you, and not I. But, in our faltering way, let's do the best we can.

I wish you were right about this being a good time to let down in close attention to Washington. Certainly it's better than any earlier time, and it's less bad than a few months hence.

But the reason I can't agree with you 100 per cent is this: The formulation of new laws is one thing; the execution of them, the administration of them, is another. We've just passed through a stage of making new laws. A law is essentially a formal statement of intention—let's do this-or-that. The subsequent administration develops questions—*how* shall we do this-or-that? There are always different ways to do what the law says. One way means one thing to your affairs, another way means something else. So the executive application of the new laws must be watched.

You asked the old, old question: Is this a government of laws or of men? It's one of the many questions which I can't answer, except by saying that it's both. I've always thought that the men who administered the laws were more important than the laws. This view is supposed to be heretical, but to me it seems merely realistic and practical. It seems more of a fact than a theory.

That's why, for the moment, I suggest that you keep an eye on the *how* of Washington—*how* it will administer all these new laws. Also that's why I can't get quite so hot-and-bothered as you are over the substance of some of these new laws. You can't tell what the substance is until you have further chance to see how they will be worked out.

Will New Deal Flop?

those who prejudge the future in light of their hopes.

It depends partly on court determination of whether certain New Deal laws are constitutional, and we shall talk of the Constitution later. But in a greater and more tangible way—

THIS is one of your tough questions: Will the New Deal flop? I don't know, and I don't think any one else knows, and I think the only persons who answer either "yes" or "no" are

It Depends on Administration

general answer is NO.

Speaking as a first hand observer of Government, not as a partisan, I have no hesitancy in saying that the administrative set-up of the Roosevelt administration is more inefficient, more incompetent, more helter-skelter than any of its recent predecessors for 20 years back.

—IT depends on how the laws are administered.

Is the administrative machinery in good shape? Is it efficient? Is the executive house in order? The general

The fault doesn't necessarily lie with individual officials themselves. If you appraise them individually—150 to 200 key officials—you see that many are able men. Perhaps the average standard of ability is somewhat higher than in preceding administrations.

But appraise them as a *team*. Then you will see that they don't work together. They work at cross-purposes. One set pushes one way, another set pushes another direction. Their objectives are different. They don't agree among themselves, and there's no one who dares *make* them work together, or to fire those who don't fit into the general program—whatever the general program is.

If the internal affairs of any corporation were as messy as the affairs of the United States Government, the corporation would automatically go busted.

Speeches Don't Help

will not help the internal situation. They may even make the internal situation worse, for they tend to obscure the facts with words.

The current Government should have less oratory and more housekeeping.

THERE will be many Big Speeches this fall. They will be good, they will be enlightening as to the general direction, the general objectives of the Government. But they

Reorganization Ahead?

IT'S needed, reorganization, but I doubt whether there will be any radical realignment of machinery and functions. It all depends on the President, and it seems clear by this time that the President's strength is in devising reforms rather than in the organization of machinery which will administer those reforms.

Periodically there are big front-page stories about coordination of new agencies. There's a long series of them. One came recently—to coordinate seven lending agencies. Good. Each is good, each makes a splurge at the time. But most don't work out, because they are palliatives, pieces of scenery rather than changes in structure. And machinery isn't built by a series of whims.

Look at the looseness and overlapping in PWA-WPA-FERA-CWA-ETC., with its incomprehensible intricacies. Look at Federal Housing, wormy with inside politics. See how housing activities are scattered in a half dozen different government agencies. See how they all promote construction in their own pet ways, tending to neutralize each other's efforts. Note how many *little* schemes there are for encouraging private employment, but how they tread on their own respective toes. Note that no one is charged with the big-scale task of promoting policies which will mean private jobs. No unification of effort, no centralization, except in the President himself, and it's ten times too big a job for any one man. It's *organization* which is lacking.

Privately every honest government official admits these things and deplores them. Publicly officials make excuses, they talk of the excellent intentions of their reform Government. They say "it takes time." They talk patience (after three years). They say, if you criticize,

you are hostile to progressive principles, or you are a partisan.

I think they are rattled, confused, in a mess. I think the situation is dangerous, because it is leading to a series of breakdowns. Whether these can be interpreted as a breakdown of the New Deal as a whole is more than I know.

Exceptions? Jobs well done? Yes, many of them, but we are talking of the picture as a whole, not of individual segments.

Publicity, the Press

YOU ask whether the press gives the true picture of Washington. It tries, but here's a situation: The press is so flooded with Official Statements, speeches from Big Men, documents outlining Big Policies, announcements of New Things, that the press has neither the time nor the space to dig down under, to follow through, to give critical examination of what happens after the ballyhoo. The press has its sycophantic fringes, but the main body is not sycophantic.

The New Deal doesn't "control" the press, doesn't "censor" the press. It merely *floods* the press. It furnishes the deluge of news, and the press carries the flood to you.

Criticism

YOU ask whether the New Dealers can stand criticism? This is easy to answer. The answer is *NO, not well.*

The reason is something like this: The New Deal regime has a larger percentage of zealots than any other. Zealots *know* their intentions are good. They believe that if they are given a free hand, they will do more for the public than has ever been done. They believe this with passion.

When criticism arises, they are amazed. They look for "motive." They assume the motive is "Republicanism," "conservatism," "Toryism," or "special private interest." True, motive often is one or more of these things. But not always, and this is something these officials don't understand.

New Deal officials as a class are subjective, intellectually inbred, and holier by far than thou. There are hundreds of incidents to support this general observation. Some incidents are tragic, most are humorous.

Brain trusters do more good than harm, in my opinion (although I know you don't think so). The main trouble with many brain trusters is that they have not yet learned that in the so-called "practical world" there are laws of which they never dreamed. They know how things *ought* to be done, but they don't know how things *are* done. In the realm of how to get things done, many brain trusters are like unsophisticated children.

Constitution

YOU ask what new laws will be held unconstitutional. I don't know. This is due partly to my ignorance and

partly to the fact that I have talked too much to too many good constitutional lawyers.

I suspect that the Labor Relations and Coal Regulation (it is pending as this is written) laws will be declared unconstitutional. I'm not so sure about the AAA. As for NRA, I've never been sure that it might not have been conducted within constitutional limits, or that the Schechter decision necessarily knocked down the whole NRA structure. I've always suspected that the administration scrapped NRA merely because it didn't have the patience to retrace and rebuild.

As for AAA—remember that it stands on many legs, mainly processing taxes, benefit payments, marketing agreements and executive orders. The cutting off of one leg doesn't necessarily kill the whole. Even if processing taxes are declared unconstitutional, benefit payments

may continue, from the work-relief funds. I'm not passing on the constitutionality of AAA. I'm merely suggesting that there is no imminent danger of collapse of AAA. As for time, remember that it probably will be early next year before the Supreme Court finally passes on a good test case of AAA. Until then, tell your numerous friends who have businesses which depend on farmer prosperity, which depends largely on benefit payments and other AAA expedients, to postpone their jitters.

Amend the Constitution?

YES, it is a reasonably safe assumption that some of the new laws will be crippled by the Supreme Court, and that there will be the constitutional amendment issue in the election campaign next year. This isn't *necessarily* true, but I believe the chances are that it will be true. I think the progress of public sentiment will be more toward amendment than away from it.

The main key to the situation next year is in what happens to AAA in the courts. The secondary key is in what happens to the Labor Relations Act. The reason for this ranking of the keys is that farmers are politically more powerful than organized labor. The two together are politically more powerful than organized business.

Business, I suspect, will not be a unit on whether the Constitution should be amended to provide for federal control of production. Some trades and industries will want it, some won't. In each case, the attitude will depend largely on the private interest of the trade or industry, business unit or business man.

Politics, 1936

NOW let's talk politics.

Will Roosevelt be renominated? Yes. Will he be reelected? I don't know, but for the sake of starting with some basis, it's probably safer to

start with the assumption that he will be. How strong are his chances? Certainly not overwhelming, as Democratic politicians claim.

Has Roosevelt lost popularity? Yes, no doubt of it. Merely among business elements? No, elsewhere. Will he be received with show of enthusiasm on his western tour? Yes, Presidents always are. Any President-in-the-flesh is a spectacle, like a brass band marching, and the public responds to a spectacle.

Will Roosevelt *continue* to lose popularity? I don't know. It's the key question to next year's elections. It depends a good deal on how the new laws are executed.

What have the Republicans to offer? No program as yet, and no logical candidate. The voting public isn't going to get enthusiastic about any Republican platform or Republican candidate. It isn't going to vote-in the Republicans, although it may vote-out the Democrats.

Split-off of conservative Democrats? Yes, many conservative leaders can't support Roosevelt. Will they form a new rump party? Depends on whom the Republicans nominate. Will they nominate a "constitutional Democrat" for President? No. For Vice President? Perhaps.

Some sort of third party? I think so, although many shrewd political observers think not. What will Huey Long do? First and foremost, he will fight Roosevelt; he would rather have a conservative national government than a Roosevelt government.

If Republicans win the Government next year, will they scrap the New Deal program? No, they will keep many of the schemes, change the names, paint new stripes on them. Scrap AAA? Or Securities Exchange Commission? Or Relief, or Public Works, or TVA, or Rural Electrification? No. Balance the budget? Yes. Republicans would have to do this, but *any* regime will have to do it within two or three years, or go busted.

How will the business element stand in next year's

elections? Predominantly against Roosevelt, but not as a unit. Plenty of business lines have been helped by the New Deal. Examples: All lines whose prosperity depends largely on farmers' prosperity. Sectional examples: The cotton South, the agricultural Middle West, plus all sorts of little local regions which have got new dams or other pet projects out of Washington. The financial elements? Pretty much a unit against the New Deal. Manufacturing elements? Strong against Roosevelt, mainly because of his pro-labor policies. But remember, business as a whole is *never* a unit in any national campaign.

The elements which will determine next year's elections are imponderable elements, and they can't be analyzed accurately or scientifically this far in advance. People don't vote rationally, they vote their feelings. The American public is essentially conservative. It likes a political show such as current Washington, but it tires. The New Deal's danger is that it may carry new things too far in too short a time, may not allow the public a period of rest, and may cause reaction. And a corollary is that the New Deal may not do its internal home work.

Business Outlook

You may talk and read politics a lot. You may chatter about Washington, and the New Deal, and next year's elections. But if you'll examine your thoughts for any 16-hour period, you'll find that you think mainly about your business and your personal affairs, and very little about government. To state it fancy, you are more social, economic and biological than political. So are others. That's why business is headed upward despite the bothers of politics.

Business is on the upgrade. On the basis of all sorts of calculations made by advisers who are cold and technical and analytical, I believe that the general condition of business will continue to improve through this fall and through next year, despite Washington, despite elections.

How much improvement? No boom, either this fall or next year. Many business men these days talk boom, but they are men whose particular lines of business have been influenced by some special situations or government policies. There can't be a boom until we reduce the number of unemployed and this can't happen merely *via* government spendings. Private industry will pick up slowly, a bit here and a bit there. But the deficiency in total normal volume of business is still too great, and the drag of unemployment is still too great to warrant any strong hopes of a movement of boom proportions.

Capital is getting ready to come out of hiding (so-called). Credit is plentiful and getting more plentiful. The use of it is gradually extending; more banks are making more loans for more different purposes.

The thing called inflation seems to be coming progressively but slowly. Nothing is visible in the future to warrant any beliefs that there will be a burst of inflation or a "flight from the dollar."

Commodity prices on the average may rise a little in the next six months, but not much. Prices of manufactured goods on the average probably will not rise.

The thing to expect, in a general way, is moderate improvement, with setbacks now and then, but with progress generally upward, with 1936 another year of recovery, with 1937 the earliest year which might be called truly normal.

Your Other Questions

I'LL have to do a quick job on your other questions, and not stop for qualifications or explanations.

Will next year's budget be balanced? No, but the peak of the deficits is this year.

Will taxes be raised again next year? No.

Will foreign trade increase? A little, but not much.

Is war imminent? Never know, but it's got to be considered a possibility, perhaps two years hence. Where? Don't know, but Russia is in danger from Germany at one end, Japan at the other end. War elsewhere would change the American internal situation. As in 1914, remember that neutrality is difficult.

Will electric power rates be reduced? Probably; government aims are in that direction.

What's the outlook for railroads? Generally not good for the next year or two. For railroad equipment? Good.

Outlook for electrical appliances? Good.

Outlook for heavy construction? Improving, but slowly; it will take a couple of years to bring it up to normal.

Outlook for home building? Better and better, but no nation-wide home building boom before 1937. The government is about to make a big push along lines of stimulation of residential building, but it will take time to fruit.

Is relief permanent? Yes, probably.

Will industry be decentralized? Yes, but over a long period of a decade or more.

Will farm land prices rise? Yes, they are now rising slowly.

Will foreign markets for cotton be regained? Don't know. AAA is going to try.

Will export subsidy be applied to farm products? Imagine it will, perhaps late this year.

Are the new taxes scientific? No, of course not; bill was put together by purely political processes. (This is written as the Senate is wrangling over the bill.)

Are the high death taxes confiscatory? Don't know; courts have never determined clearly when taxes are confiscatory. Looks to me as if they are too high, on big estates, to be practical, to be feasible.

Are airplanes selling for less than \$1000 possible? Most aviation experts doubt it—at least not soon.

Will civil service standards be reestablished? Not for at least two administrations in the future; it will take that long to repair the damage now being done.

Will government bonds decline? Don't know, but probably they are now at their high.

When will the market be good for new industrial issues? Don't know, but think in terms of next year.

Are bank loans getting easier? Yes, although loans aren't exactly "easy" as yet.

Next Session

WILL Congress next year be a do-nothing Congress? No, of course not. It will be a busy session. Many of this year's unfinished issues will hang over. There will be new issues.

There will be industrial control. Something resembling NRA must be reestablished, under some sort of Industrial Commission. There must be amendments to many new laws—tinkering amendments. There will be new demands for greenbacks, currency inflation. It will be a real issue, a real danger, always to be kept in the back of your mind, but not the front.

All this talk of having a quiet easy-going time in Congress next year is plain rot. The President will have plenty of new schemes of his own. Besides, there will be new proposals from radicals—a standard phenomenon of election year.

Washington quiescence, unfortunately, can not be promised for next year.

Sincerely yours,

Wm. L. Springer

One Man's Faith and A Country Banker's Story

By GURDEN EDWARDS



"Tony seek. You no geeve money?" She cried, in growing excitement. "You can't pay? You bust?"

Socialistic Competition

THE DAY the manuscript of the "Story of a Country Banker" went to the printer, our mail brought us a letter from a banker in another state. What he had to say furnishes a better comment on this article than we could write. So here are excerpts from his letter:

"Sometimes it looks as if the days of the country bank are numbered. In my day-dreams I see approaching the old grim reaper with the scythe, and he seems to bear a striking resemblance to Uncle Sam. Our bank has weathered many a storm, beginning with that of 1907. Neither it nor the other three banks in this town needed a moratorium in 1933, either the Governor's or the President's, and none of us has asked the RFC for a penny.

"If ever deposits were a liability, they have become so now. The fields in which we might profitably plant the money placed with us by our depositors are all merrily plowed up by competing agencies which use the money of the taxpayers.

"What can a banker do to meet the competition of a farm credit administration, a bank for cooperatives, federal farm mortgage companies, federal lending to home owners and home builders? There must be 20 such forms of competition in Washington with branches all over the country.

"Yes, I think I see the day coming when we shall have to take the bank which we nursed as a baby to the graveyard. But, before the funeral, every one in any way connected with this bank is going to receive one hundred cents on the dollar. Out of surplus we will outfit as impressive and distinguished a group of pallbearers as we can find in our town. I wonder what kind of a funeral some of the government lending agencies will be given when their time comes?"

THROUGH the open window of the Country Banker's office came faintly the fragrance of burning brush. It was early spring. A neighbor down a side street was clearing up the dry grass and stalks that winter had left. It was the hour before twilight when the day seems to pause in its regular tasks.

The bank was closed for the day. The clerks had all gone home. The blinds were drawn. The lobby was dim and silent, its shadows visibly deepening with the advance of dusk.

The banker mused alone in his office, more aware of the intangible solitude of the deserted bank than of the throng of familiar objects which filled it. The fugitive smoke from the brush awakened a reminiscent consciousness of the days when he had first come to the bank as a lad. Through the silent emptiness of the bank lobby the changes of 40 years began to troop by in remembered scenes.

He saw again Main Street as on the day he came to work at the bank. It was only a section of a dirt road that lay like a dusty ribbon across the prairie from horizon to horizon. It shimmered in the bright heat of noontime. In addition to the bank, Main Street boasted a two-story hotel, a feed and general merchandise store, the post office, a drug store, the high peaked church, the gray sanded railroad station and a few houses. From these the town dwindled off into a few scattered residences. At wider intervals came farm houses surrounded by clumps of trees.

The bank then consisted of one room, comprising the entire space in a single story frame building with a flat board front. It had a high counter running crosswise near the front, topped by a wire grill with a single window through which all the financial business of the town was transacted. There was no other bank then. At one end of the counter was a swinging gate. Against the back wall stood a tall iron safe. A letter press, two or three tables and other less clearly remembered objects made up the rest of the equipment. He remembered—

By a sudden whim of thought his mind broke away from these distant beginnings, and he was engrossed in reflections on how only five years ago he had planned to retire. He would then have completed 35 years of service. He had been arranging to hand over his responsibilities to others, but the depression had changed those responsibilities materially and he had postponed his retirement. He had felt that it was his duty to stay on.

Yet, he reflected, his duty to whom? The bank, from the viewpoint of stock ownership, was virtually his private property—to whom, then, was

Works

he responsible but to himself? What obligation had held him to a post that at his age had become a heavy burden from which he had trained others to relieve him?

As he had seen it, under the difficult conditions arising with the depression, he unquestionably had obligations to his customers, to the other stockholders—to all the people of his community, even those who were not his customers. So he had stayed on.

A banker's obligations

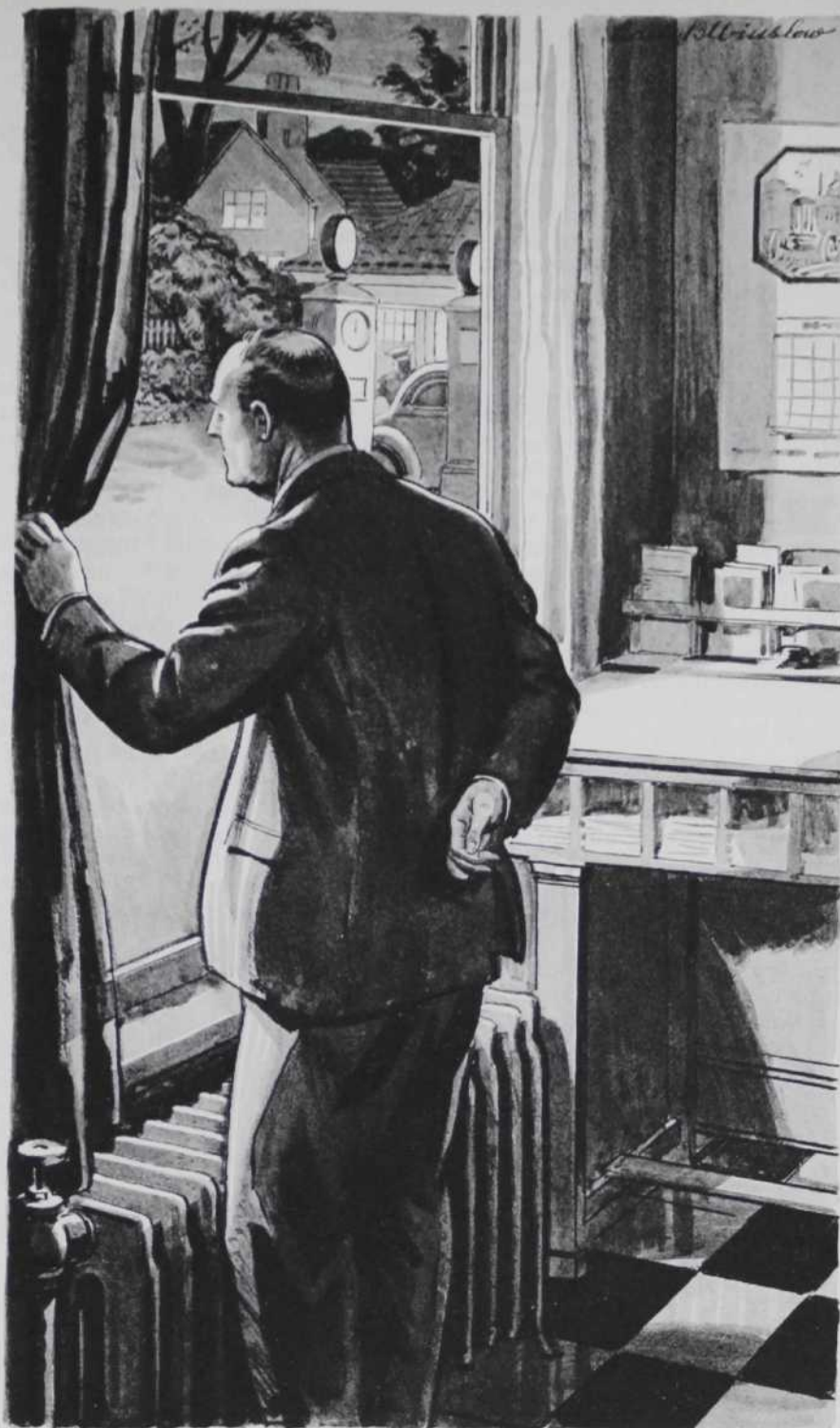
HE wondered now, after five years of anxiety and effort, whether he had been taking himself too seriously—whether that self-conceived obligation of his was as tangible a thing to those others as it was to him—whether they appreciated his attitude or felt that he owed them any obligation other than was specified in the strict letter of his dealings with them.

Did they look upon him merely as a money-grubber who thought only of the profit in each transaction?

Did they realize that he had always wanted each deposit he had accepted, every loan he had made, really to serve a useful purpose for the individual and the community as well as to create earnings for the bank?

He wondered if any of them had ever actually sensed the fact that his 40 years of banking was really a consistent whole, a tapestry in which individual transactions, and the profits or losses connected with them, were but unimportant details, while the real things he had sought to accomplish were measured not by the modest wealth he himself had accumulated, but by the much greater wealth and progress which had come to the community as a whole. These benefits had come to it largely through the aid of his bank. It was his unspoken philosophy of a bank's duties to its neighbors that its success must come only through helping others succeed.

Did any of them ever dream that he saw his own business monument, not in the money and influence of his bank or in his own worldly estate, but in the difference between the town as it had been 40 years ago and as it



ILLUSTRATIONS BY EARLE B. WINSLOW

"I wonder if government employees at desks in Washington could do as good a job as we country bankers have."

stood now, a sound American town despite the depression?

Forty years ago—his mind was again back at the beginning, in the dingy little bank. There was a high writing shelf for the use of customers at one side near the front window. One of his duties in the summer time was to pull up the wide green shade—it rose from the bottom—to shut off the afternoon sun before it dropped to a point where it glared into the cashier's eyes as he sat at his post behind the opening in the wire grill.

The cashier was always in his shirt sleeves and wore a green eye shade.

His uncle, who owned the general merchandise store, was president of the bank. But he was not active in run-

ning it. He left that to the cashier. The cashier was an older cousin of his by another uncle. All their names were Barrett. It was the Barrett Bank.

The only other employee beside the cashier and himself was a girl clerk who had gone to business college in the City. The City was a hundred miles away. She did the typewriting, helped keep the books and was in charge of the bank when the cashier went home to lunch. The remembered image of the town grew luminous again as he recalled those hot summer noons, the heat shimmering up from the dusty road, hardly a person to be seen, a buckboard in front of the hotel, from the distance the drowsy crowing of a rooster.

Speculation in land

CHANGES came to the town slowly at first, but when the World War brought rising agricultural prices, changes came rapidly. By that time he had become cashier of the bank.

The farmers were prospering. Land values were soaring from \$50 an acre to \$100, \$200—finally to go to \$300 an acre for Old Man Jackson's farm. It was a good farm and Jackson had always been a good farmer, but—

He recalled the day Old Man Jackson had come into the bank and told him he had sold his farm for \$5,000 cash and \$10,000 in notes secured by a first mortgage on the land.

He was a big, gnarled man, with huge hands covered with black hair down over his leathery fingers. He wore faded overalls and a buttonless jumper. Stolid and little given to expressing himself; yet there was a smoldering fire of elation and eagerness in his black eyes, deep set under shaggy brows. But the banker could not find it in himself to join in Jackson's elation and congratulate him. He had misgivings over the speculation that was raging in farm lands. His misgivings grew as the farmer explained what was in his mind.

"You see—well, if I kin git the cash, I know farms I kin git for \$200 an acre," he spoke slowly. "People that know tell me land'll go to \$500."

"I don't know—sounds like speculation to me," the

banker replied. "I hear some of the boys are mortgaging up to the hilt and grabbing all the land they can get—more than they can farm, too, when it comes to that."

"Hmph!" Old Man Jackson grunted. "Ain't much in farmin' any more."

"Somebody's got to farm—if everybody gets to raising mortgages on their land instead of wheat and corn, who's going to feed the country?" the banker said. "Prices never were better."

The farmer moved ponderously in his seat.

"Well, Mr. Barrett," he said. "I got a proposition to put to you. I want to git rid of these notes. Willin' to take a big discount for cash."

"Let me see them," the banker said. He glanced at the names. "That new real estate outfit from the city."

"They're good people," the farmer asserted. He nodded at the notes. "And besides they're secured by a mortgage on my farm—ain't no better land in the state."

"What did you sell it for?"

The farmer shrugged his heavy shoulders.

"I got a good price—but prices are goin' higher—will you take the notes off my hands, Mr. Barrett?"

"What are you going to do with the money?"

Jackson's voice dropped to almost a whisper:

"I don't want nothin' said about this, but I can get options on some of the best farms in the county."

The banker thought a moment.

"No, Mr. Jackson, I can't do it," he said.

The farmer's dark eyes grew sullen.

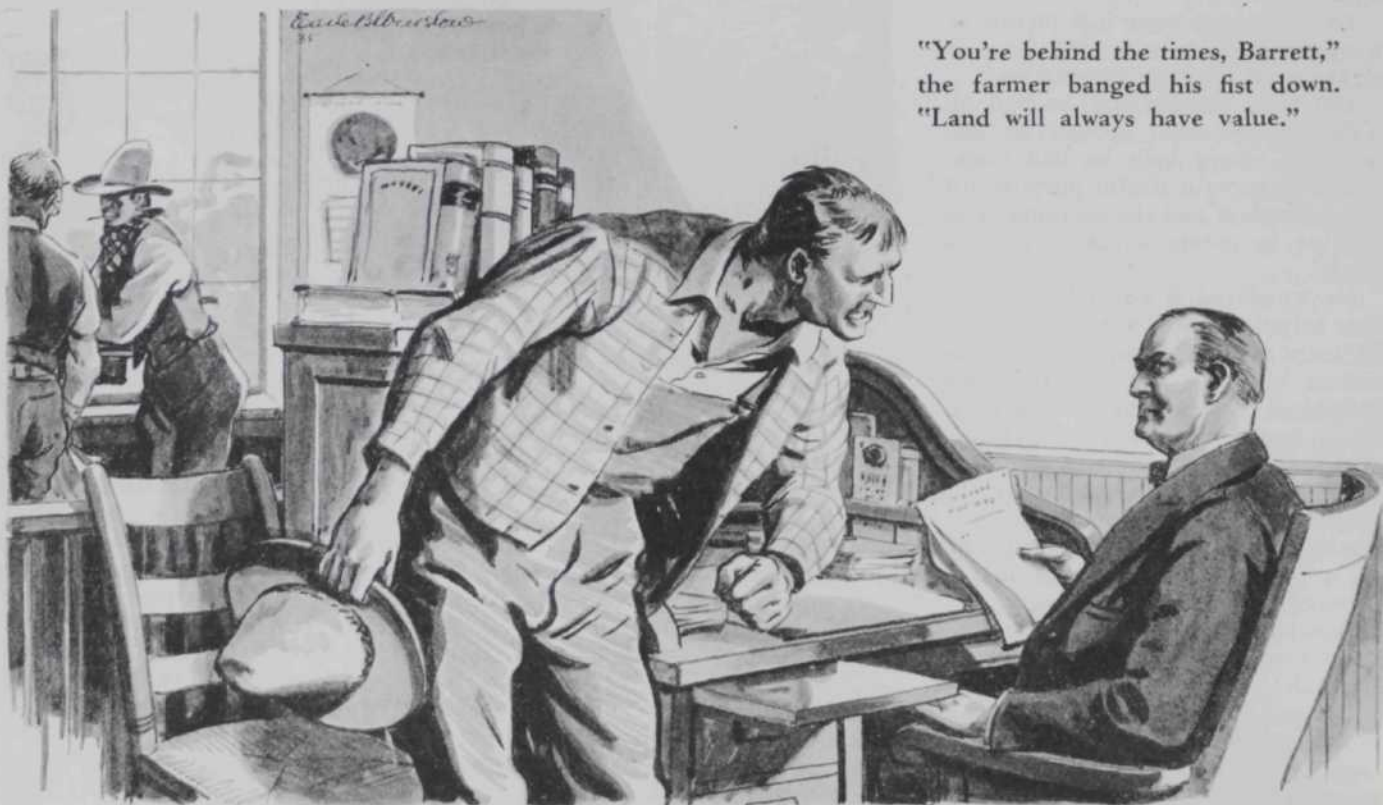
"Why not?" he demanded. "They're good as gold. Those people are big business men—I always been a good customer of yours—you always accommerdated me—what's the matter now?"

"Yes, Mr. Jackson, I was always glad to accommodate you when you were sticking to farming—but a banker has no business helping farmers neglect their farms to gamble in land."

"Huh, so that's it," Jackson growled. "It ain't no speculation for you—these notes are good—and the mortgage is good—"

"The notes are signed by speculators—and your mort-

(Continued on page 48)



"You're behind the times, Barrett," the farmer banged his fist down. "Land will always have value."

What Workers Want to Know

The "old man" talks it out

PERIODICALLY the minds of working men and women are stirred with deep misgivings about the fairness of the economic order. Particularly when hard times come a-knocking at their doors, they begin to inquire into the practices of the business with which they are immediately identified; they begin to wonder about the fairness of business as an institution.

In that state of mind they are receptive to the irresponsible preachings of demagogues who make ready occasion of discontent to fertilize doubt with alluring promises impossible of

fulfilment. The air is filled with remedies for all the ills which beset mankind. As every business man is seeing, depressions provide opportunities for the preaching of political buncombe that common sense would ordinarily reject as sheer rubbish. The fictions of the political medicine men are plausible only when reason is denied the support of facts.

Employers are more and more concerned to get the workers' point of view as a first step to clearing up misunderstanding. The question box is familiar. In many plants super-

intendents and foremen interpret company policies to the men. Industrial relations departments and counsellors, house organs, posters and bulletins are well established means to the understanding of the personnel.

From an authentic source NATION'S BUSINESS got a list of questions which are asked with variations, over and over again. These are presented here, together with answers from the employer's experience, in the hope that they may be useful in across-the-table discussions between management and men. —THE EDITOR

I. "Why can't everybody wake up to what all of us workers see before our eyes every day?—I mean the way our jobs are always being taken away from us by machines?"



THIS QUESTION is about two hundred years old. English weavers began to ask it when new-fangled looms were invented. They feared the new machines would take away the work they had done with their hands in their own shops. They rioted, smashed things.

Gradually, home production yielded to the new order. It was economical to have machines under one roof, to have the workers come to the machines.

This change marked the beginning of the factory system. It meant a new relationship between workers and employers. It came to be known as the "Industrial Revolution." Fear that progressive improvements in machinery would permanently displace jobholders has persisted to our own times, in our own land.

How well founded is this fear? The amount of horsepower installed in factories may be fairly regarded as a measure of the increased use of machinery. Turning to the census report for 1869, the earliest year of record, as a base, the horsepower in use in 1930 has increased about 18 times, from 2,346,000 to 42,931,000. From 1870 the total population increased about $3\frac{1}{5}$ times, from 38,558,371 to 122,775,046.

But consider this: the number of persons more than 10 years old, classified by the census as "gainfully employed," increased in the same period about four times, from 12,505,923 to 48,829,929. The up's and down's caused by depressions do not appear in these figures. They do indicate that the working population has increased more rapidly than the whole population despite the mounting application of machines to productive process.

The figures are really better than they look. Less child labor in the later than in the earlier years. More jobs for grown-ups. Let's see how "progress" has helped you as a wage earner.

In 1870 there was no electrical industry, which even

in this depression year gives employment to more than a million citizens.

In 1893 it would have been possible to say that there was no automobile industry, now making a good living for millions of Americans in its own and allied businesses.

In 1903 the idea of the airplane was hardly more than a dream. Today it provides a regular transportation service and thousands of jobs.

In 1920 radio was still a laboratory problem. Now it is a commonplace in the home, and the bread and butter of thousands of skilled workers and entertainers.

All of these industries are highly mechanized. None of them could have attained their present size without the use of time-saving machinery. The lesson of our history is that some trades, some skills lose out in the progress of civilization. In this forward march the nation discards things it once needed. It accepts things which it finds more satisfying. No nation grows or prospers by freezing the abilities and resources of its people at a fixed point.

Mankind gets ahead by developing its powers to serve mankind. New industries provide new jobs—many more than they throw out, the record shows.

Nobody can foretell the next great stride in America's industrial advance. There are some signs—air conditioning, television, prefabricated houses. Whatever the new field of activity, it will mean jobs, incomes, better living for men and women who are useful.

II. "Just think of the wages you and the heads of other big companies could pay us if you didn't have to fork over so much money to your brass hats and stockholders."



CARTOONISTS still butter their bread by drawing pictures of bloated, bespattered overfed fellows, recognized from afar as "plutocrats" by the dollar sign pattern of their clothing. Cream for the few, skim milk for the many.

Now it turns out on facts collected by the Department of Commerce that if all wage earners in this country divided equally the total

of wages actually paid in 1929 by corporations, the monthly earnings of each worker would have been \$119.

But suppose that all wages, all salaries, all bonuses, all the shares going to proprietors had been pooled, and then divided share and share alike, what then?

Monthly income per worker would then have been \$12 more a month. That figure does not seem big enough to make good the talk about "redistribution of income."

Why didn't it make a better showing?

It all gets down to how much there is to divide.

In 1929, about 50,000,000 people had jobs. The entire national income was about \$83,000,000,000—about \$1,660 per worker, or \$138 per month.

1932 told a different story. When the depression touched bottom the total take of the nation was \$40,000,000,000—about \$800 per worker, or \$67 per month.

III. "But swollen profits, there's the real gravy," it is said. "The big corporations have it pretty soft. Nothing to do but count your money. You should pay the freight. Most of what you take in is velvet anyhow."



NO SUCH MAGIC is on our side.

Profit margins, with rare exceptions, are slender, sensitive to business conditions at home and abroad.

Reports from about 500,000 corporations are kept by the Federal Government. These reports show total sales or gross income.

In good years, since 1922, taken as a whole, profit margins were close to 4 per cent.

In poor years profits approached the vanishing point.

In bad years, 1921 and 1932 for examples, it was snuffed out altogether. Red ink became a national fashion in corporate bookkeeping.

Where there is a chance for profit, there is also risk of loss.

Easy enough to tell somebody what to do with profit. More of a trick—and the decisive test of business management—to dig up the wherewithal to meet loss.

The American system is more than a profit system. It is a profit or loss system.

There's no royal road to profit, no guarantee that it will be realized in any amount. Loss is an ever present possibility which may at any time become ruinous certainty. Last year about 13,000 commercial firms went to the wall.

Business is a continual struggle with "if's."

IV. "Why aren't you big employers big enough to understand how you would increase your own profits if you would only pay me and the rest of us enough wages so we could buy new autos? Lord knows I'm not interested in saving. So you should have wits enough to figure how quick you'd get that money back into your own pockets again."



IN THAT POINT of view we employers look pretty dumb.

The critical reasoning goes something like this:

Any increase in the mass purchasing power of workers will be promptly spent.

This spending power will occasion greater demand for goods.

Merchants' turnover will be quickened.

More orders, bigger orders going back to mills and factories.

Suppliers expand operations.

Business moves toward prosperity levels.

Well, here are some considerations to test the soundness of the theory in this plan:

You in your character of producer contribute to the national total of production.

If all the things produced by you and all the other workers in this country were lumped together, the sum total would be all that you would have to divide.

Each one of you sells the product of his labor by direct or indirect means, and with the money thus earned buys the goods or services he requires of others.

The true test of any increase of payrolls, then, is whether it enlarges the sum total of production to which people must look for the satisfaction of their wants. It works out that purchasing power is in fact, production.

Dependable figures, going back to 1850, show that prevailing industrial wage rates in this country have moved in close relationship to the value of the goods turned out per industrial worker.

Higher wage scales make business no better unless there is proportionate gain in the volume and value of goods.

Prices must advance to sustain this scheme of things.

How to prevent price rises from slowing down the buying of the consumer—and thereby defeating the whole plan—is a rough cornered riddle.

No business man able to keep afloat in these times would balk at outlays promising to improve his own business.

That sort of shortsightedness cannot exist where facts are allowed to make their case.

Nothing wrong with the vision of business men. They see the problem clearly enough.

The job we have to lick is the finding of markets for the enlarged production which must support wage rises advocated in the name of increased purchasing power for you and all the rest of the workers.

No help, no sense, in suggesting that business men do not want business to get better.

As much reason in believing that a man would forego food just to see other men go hungry.

And the bigger the business, the greater its concern to see that more and more people are able to buy what it offers for sale.

It's no news on the business front to be told that business cannot keep going or growing in a country of lean purses.

V. "Why don't the rich put an end to these—— depressions?"



IT IS EASY to assume that because some individuals inherit great wealth, they therefore inherit an "economic power" proportionate to the money value of their estates left to them.

What it means to "control" wealth, and what it means to "own" wealth are two very distinct things.

The millions inherited from James B. Duke, the tobacco magnate, made his daughter the nation's No. 1 heiress.

The size of her fortune alone is enough to argue an expectation of tremendous influence in economic affairs.

Suppose her estate was appraised at \$40,000,000. That would mean jobs for 40,000 men at \$1,000 a year.

A sizable payroll.

(Continued on page 59)

We Have Humanized Our Figures

By EDWARD F. HUTTON

Chairman of the Board, General Foods Corporation

"WHY Not Humanize Your Figures?" which we published in August, brought some interesting responses, one of which appears here. Many companies are both willing and eager to make their financial statements intelligible to owners, employees and public

I SEE no reason why the financial statement or balance sheet of every corporation, big or little, cannot be broken down in terms of men and women. There is every reason why this should be done and the results broadcast to employees and stockholders alike. The thinking of the great mass of intelligent citizens cannot help becoming twisted if they hear nothing but the voices of the radicals and demagogues, intent on destroying all opportunity for individual initiative and enterprise. It is a part of the obligation of business and industrial management to keep this thinking straight.

In the accompanying exhibits I have tried to "humanize" the balance sheet of the General Foods Corporation along the line suggested by the editor of the *NATION'S BUSINESS* in the August issue. I have tried to take it out of the category of orthodox statement and explain what each item means in terms of employees and stockholders.

Exhibit A on page 28 is our balance sheet as of December 31, 1934, prepared for our employees. The ordinary balance sheet means very little to the average employee—if he gets his pay regularly and is secure in his employment, the company is a success. If his pay is erratic and his employment insecure, the company is a failure, in his opinion.

This balance sheet is informative. It shows first of all that our stockholders have intrusted to us practically \$7,500 for every job listed on our pay roll. This is the amount they have invested per worker employed.

It also shows that in order to meet our pay roll promptly, pay our bills, taxes, insurance, etc., when due, we must carry about nine million dollars

of cash on hand. This is around \$1,200 per employee. We must carry an inventory of 19 million dollars, or more than \$2,400 an employee, if we are always to have the materials on hand to keep them busy.

Finally, our investment in land, building and machinery which makes their jobs possible is more than 19 million dollars or nearly \$2,500 per employee. Our reserves and surplus which give these workers the security in employment which is so important to all workers amount to 16 million dollars or about \$2,000 per employee.

The stockholders' side

EXHIBIT B on page 28 tells much the same story in the same sort of way, but from the stockholder's point of view. It is an effort to explain each item in terms of his investment. It seems to me to give a much more detailed picture of the soundness and stability of the company than simply a formal statement of assets and liabilities.

After all, the stockholder, particularly the small stockholder, is inclined to judge a company by the regularity with which he gets his dividends. A statement of this kind gives evidence of the soundness of the company and assurance that he will continue to get his dividends. It is the sort of thing to inspire cooperation when the management is attacked by demagogues, self-seeking politicians and theorists.

There are just three principal items on the pay roll of private business, whether big or little. These are: labor, management, and capital investment. Each is entitled to wages for work done.

The workers, who do the actual work connected with the processes of production and distribution, are entitled to a fair share of the returns from their labors.

Management, responsible for the creation of the original enterprise, the prosperity of the business, and the capital placed in its hands, is certainly entitled to its compensation.

Capital, which is nothing more than dollars saved by thrifty men and women out of compensation for work done in the past, is entitled to fair wages; that is why men and women save dollars and invest them.

Suppose, however—only for the purpose of argument—we agree with the followers of Karl Marx and accept, for the moment, his theories with regard to what he calls "the law of surplus values." This is, in effect, the Ricardian "Iron Law of Wages" which holds that everything which the worker does not get goes to the capitalists, "who, with the kings and priests, the lords and gentlemen, live upon the labor of the workingman." Accordingly, management is not entitled to compensation—every cent it takes is "stolen" from the workers.

Let us take the General Foods Corporation as a "horrible example" of big business and see what it would mean to our workers—white-collar workers and wage-earning workers—if its management could be induced or "forced" to work for nothing.

A small fee for management

WE have approximately 7,800 employees. Of these, a group of about a score are "management executives"—the men to whom our 61,000 stockholders have intrusted a 63-million-dollar investment and the conduct of a business producing and selling about 100 million dollars' worth of commodities a year.

Our workers are receiving, in the aggregate, \$12,200,000 a year—that is, on the average \$1,564 per employee per year, or \$130.00 a month.

Management receives \$650,000 annually for its services. Its responsibility is great, for on its ability, experience, efficiency and loyalty to its stockholders and employees depends

**EXHIBIT A • Balance Sheet of the
General Foods Corporation for EMPLOYEES**

(The regular balance sheet items have been divided by the number of employees to show the relationship of each operation to each individual employee.)

**ASSETS (what the company owns and
what others owe it):**

	\$ per employee
Cash (Needed to pay for the raw materials you, as an average employee use, and to meet your pay which averages \$130.00 per month, to meet taxes which average \$49.00 per month per employee, etc.)	1,203.28
Marketable securities (Investments made to utilize our assets during slack seasons and a reserve which enables the company to operate in bad times and to continue paying wages.)	579.10
Accounts, notes, and drafts receivable (Selling "on time" allows us to sell more goods than if we sold for cash. It means more work for you. If we did not extend credit or accept notes when the credit standing of the customer warrants such action, you would have less work, because we would sell less.)	723.18
Inventory (This includes the raw materials we have on hand, the goods you are working on now, and those you have finished but we have not yet sold. It takes several months from the time we buy the raw materials until we sell the finished goods.)	2,441.92
Land, machinery, buildings, etc. (This is our investment which makes possible your job. The land, buildings and machines allow you to do more work and earn more money than if the work had to be done by hand.)	2,468.18
Other assets (These are investments and advances; prepaid advertising, insurance and other expenses.)	713.57 \$8,129.23

LIABILITIES (what the company owes to others):

Accounts payable (These are for purchases we have made within the past 30 days, not yet paid for; they include power and materials for your work.)	273.54
Accrued payroll (We pay some of you weekly, some semimonthly and some monthly. As a result we owe our employees a proportionate amount since their last pay day.)	11.00
Accrued taxes (This item has accrued since the last date payable and will be paid on the next date payable.)	75.08
Reserve for payment of income taxes (This item is held in reserve for the payment of income taxes as they become due.)	310.90
Our 61,000 stockholders invested the money which provides you with jobs. If the company prospers they get a reasonable return on their investment. If the company fails they stand to lose all of their investment. The amount per employee which they have advanced to the management, including the earned surplus which they have allowed to remain in the hands of the management, is	7,397.69
Other liabilities including accrued expenses, acceptances, foreign drafts discounted, deferred credits, etc.	61.02
Total liabilities	\$8,129.23

**EXHIBIT B • Balance Sheet of the
General Foods Corporation for STOCKHOLDERS**
**ASSETS (what the company owns and
what others owe it):**

Assets (Needed to pay for raw materials and to meet pay rolls amounting to approximately \$1,000,000 monthly, taxes averaging \$383,000 monthly, insurance, including contributions by employees to annuity fund, averaging \$100,000 monthly, etc.)	\$ 9,385,658.98
Marketable securities (Investments made to utilize surplus funds during slack seasons and a reserve which enables the company to operate at a loss without disaster, \$5,310,339.92. Less a reserve of \$793,276.12 to adjust to market value as of December 31, 1934.)	4,517,063.80
Accounts, notes, and drafts receivable (Includes customers' accounts, etc. of \$5,897,124.23. Less a reserve of \$256,406.41 for discounts, doubtful accounts, and notes.)	5,640,717.82
Inventory (This constitutes our holdings of raw materials, finished and semifinished stock, supplies and goods in transit.)	19,047,172.93
Land, machinery, buildings, etc. (A necessary investment to make possible the manufacture of approximately \$100,000,000 of goods and the employment of 8,400 people, \$37,693,393.76. Less a reserve of \$18,441,760.32 for depreciation.)	19,251,633.44
Trade marks, patents and good will (While these intangibles are worth substantial amounts they are entered in this statement at the nominal amount of \$1.00.)	1.00
Other assets (These include: investments and advances to controlled companies, due from officers and employees, other investments, balances in suspended banks less reserves, prepaid advertising expense and supplies, prepaid insurance premiums and other expenses.)	5,565,823.95 \$63,408,071.92

**LIABILITIES (what the company owes to others,
including its stockholders):**

Accounts payable (These are for purchases within the past 30 days.)	\$2,132,971.46
Accrued payroll (We pay our employees weekly, semimonthly, and monthly. This item has accrued since the last dates payable and will be paid when due.)	85,794.65
Accrued taxes (This item has accrued since the last date payable and will be paid on the next date payable.)	585,062.54
Accrued expenses.	292,062.14
Reserve for payment of income taxes.	2,425,567.84
Acceptances payable, etc.	75,609.82
Foreign drafts discounted, etc.	84,362.29
Deferred credits.	24,388.46
Our 61,000 stockholders have trusted to our management \$73,733,705.82. Our earned surplus of \$14,430,964.33 which has been left with the company for reinvestment since the founding of the company makes this \$88,164,670.15. This earned surplus has the same effect as if the stockholders had put in this amount of additional capital, and it should be noted that it amounts to approximately \$1,110,000.00 annually. From this we have deducted \$30,462,418.43 representing intangibles and the value of 108,311 shares of common stock now in treasury, leaving our liability, as represented by 5,251,440 shares of stock in the hands of 61,000 stockholders,	57,702,251.72
Minority interest in stocks of subsidiary companies	1.00
	\$63,408,071.92

the success or failure of the company.

If these executives gave their services for nothing, what would it mean to the other employees? On the average, about \$83.00 a year, or \$6.92 a month, or 27 cents a day. That is all. On the other hand, without this management there would be no 65-million-dollar investment, no jobs for the 7,800 workers, and no sound and profitable investment for the 61,000 stockholders.

Or suppose we look at it another way. Let us put management on a commission basis. We find that it is receiving a commission of two-thirds of one per cent on the gross amount of business or one per cent on the value of the properties entrusted to its care. Is this too much of a fee when we consider what the executives have to do to keep our industrial ship on an even keel, our factories running on a profitable basis, our employees secure in their employment with guarantees against the privations which too often come with the incapacity of old age? I do not think so.

What do the executives—the management—of the General Foods Corporation have to do to earn this aggregate compensation of \$650,000 a year?

First, they must have an efficient sales force to move 100 million dollars' worth of goods a year if they are to provide these 7,800 jobs and pay the stockholders reasonable wages on the dollars invested in land, buildings, machinery, equipment and raw materials sufficient to produce this amount of goods.

Second, they must watch the company's budget with scrupulous care—see that it lives within it, that the end of the year will not show a deficit instead of a profit; keep wages and working conditions on a standard to which its employees are entitled; and do the hundred and one things which people entrusted with other people's money are expected to do if they are to fulfill their trust.

Third, they must maintain public relations of such a character that there will always be a market for the products of the company.

Fourth, they must always be prepared for the future by establishing reserves against lean years,

so that the business may come out of a severe depression as sound as it went into it.

Fifth—and of primary importance—the management must defend the corporation against all sorts of attacks and every type of unfair practice, including unfair practices of the Government. We have a Federal Trade Commission which, when it finds that some corporation has been guilty of unfair practices, orders it to "cease and desist." It might be well if we had some sort of an institution with the power to haul the Government before it and, finding it guilty of unfair practices, order it to "cease and desist."

A small cost for security

SECURITY for the company's employees in their employment, and security for the stockholders in their investment is the job of management.

One might say that no price is too high to pay for this form of security extended to men and women. Certainly a management fee of two-thirds of one per cent on the gross business or 1 per cent on the value of the property seems little enough.

Let me suggest how this security can be threatened and impaired. For more than two years the Federal Administration has been conducting an elaborate and nation-wide campaign of propaganda intended to destroy, in the minds of the general public, the reputation for integrity of private business and enterprise.

Attempts on the part of business and industry to strike back and defend their institutions and the values of private properties belonging to millions of thrifty citizens have been met with such epithets as "unpatriotic," "selfish interests," "exploiters of labor and the public," and various other denunciations, some of which have been silly and some just malicious.

This campaign of political sabotage has culminated in the "soak-the-rich-and-big-corporations" program and innumerable proposals for destructive legislation. These last range from rewriting the Constitution of the United States and curbing the powers of the Supreme Court to proposals having, apparently, no other purpose except to destroy the national values built up through a century of progress.

One of the favorite theses of the academic radical socialists and collectivists who seem to be in control of our Government is that management of business and industry costs too much. Questioning management's right to defend itself or to make any effort to protect its stockholders and the properties entrusted to it, they attack it from every angle.

It all seems a bit ridiculous when one considers that it is the acknowledged business of management to keep its budgets balanced and to operate its enterprises on a sound and profitable basis, while on the other hand it seems to be the business of the executives of the greatest holding corporation in the world—the United States Government—to keep its budget continually out of bal-

(Continued on page 56)

Coming in October

★ ★ ★

What's in Your Contract?

By George W. Maxey

Judge of the Supreme Court of Pennsylvania

TIME for some home-work on the Constitution if the Man in the Street is not to lose his protection against the tyranny and caprice of a growing ruling class.

You're Telling Us!

By Edward Angly

THE writer, famed for his little book, "Oh, Yeah", takes a look at the forecasts and fulfillments in the economic field of those who "rolled up their sleeves" and set out to improve on the "haphazard" planning of business itself.

What Are Unfair Practices?

By Paul H. Hayward

AN exploration of a field, greatly publicized by political reformers, to learn what all the shootin's for and why compulsion can't do the job of cooperation.

Painters' Frolic

As Told to Paul McCrea

A HOUSE painter and his pal figured the "easy" profits of their boss and decided to go into business for themselves. An entertaining narrative of their year's experience in "management."

When the Women Wake Up!

By

CATHRINE CURTIS

National Director,

Women Investors IN America, Inc.

WOMEN hold three-quarters of America's wealth and one-quarter of its jobs. Yet women incubate much of our public spending and eagerly urge that we adopt policies of foreign countries where women enjoy little, if any, of the social and economic freedom which this country has afforded them

WOMEN own three-quarters of America's wealth, and hold one-quarter of its jobs. This is a pretty good showing, and women some day will realize that their favorable position did not "just happen," that geography had nothing to do with it. As they assume greater interest—and power—in political affairs, some day, it is to be hoped, they will have a clearer and better understanding of the real reasons why they have fared inconceivably better than their sisters in any other land.

When—and if—such understanding comes, it is my guess that they will not furnish the incubator for so many public spending plans with their attendant tax payrollers. Nor will they be so receptive to the foreign ideas and "isms" now promoted here, policies of countries where women enjoy little, if any, of the social and economic freedom which the United States has given them. When, as, and if, they wake up.

Men, not alone the women, fail to realize the stake the women have in this country. A recent survey made by the organization, Women Investors IN America, Inc., reveals that women are the beneficiaries of 80 per cent of the 65,000,000 life insurance policies now outstanding,



Miss Curtis, who is the moving spirit in the new organization of women investors, describes it as a non-partisan educational agency to rally the nation's real stakeholders behind sound legislation

aggregating more than \$100,000,000,000. That is the face value; their actual assets today in cash turn-in value is \$25,000,000,000.

The survey reveals that 65 per cent of savings accounts—in the amount of \$14,242,800,000—are in women's names. They hold 48 per cent of the stock of all railroad corporations, in the aggregate of \$4,800,000,000. Forty-four per cent of public utility securities is in the names of women, and the titles to 40 per cent of all real estate—homes and farms—are held by women.

It may be that the women do realize this when they are in the front ranks advocating more and more activities to be undertaken by political powers and that their eagerness and zeal are commendable because they know they are paying a large part of the bill. It may be that they realize that out of their purses comes 80 per cent of the \$100,000,000 annual tax on life insurance companies and another 80 per cent of the \$104,000,000 collected in inheritance taxes. And that 40 per cent of an estimated annual property tax of \$5,000,000,000 is paid by them.

Furthermore, America's economic system, for good or bad, has provided gainful occupations for 11,000,000 women. The "bad old days" from 1900 to 1930, which we hear so much about from speakers in women's clubs, were responsible for making room for 7,000,000 women during that period.

Just now there comes from an annual convention of women the report that there is a conspiracy to take away these jobs and drive women back to the home. I doubt if



Consider the Beaver

THIS industrious little fellow will dam a river—build two, three, or more rooms according to the size of his family—lay up ample winter provisions to safeguard against hunger—and help his young to build their own homes. This is his method of insuring his own and his family's future.

Man, like the beaver, must look ahead if the future of his family is to be safeguarded. The best the beaver can do is to provide for only a year or so, whereas man can arrange through a program of life insurance for the security of his family and himself for many years to come.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.



A well thought-out Program of Life Insurance answers the questions "Who will pay the rent if anything happens to me?", "What will my family live on?", "How will my children be educated?", and "Shall I have a fixed income when I wish to retire?". You can be assured through such a Program that the future necessities of your family will be provided and the attainment of your hopes and ambitions made possible.

Let a Field-Man help you to plan a Life Insurance Program to meet your individual needs. Telephone the nearest Metropolitan office, or mail the coupon.

Metropolitan Life Insurance Co.,
1 Madison Ave., New York, N. Y. (N)

Without placing myself under any obligation, I would like to have information regarding a Life Insurance Program to meet my needs.

NAME

ADDRESS

CITY STATE

METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

One Madison Avenue, New York, N. Y.

© 1935 M. L. I. CO.

there is a conspiracy, and I am pretty sure that if this tendency is apparent, it is due to causes quite different from those in the minds of the "women leaders."

If there is such a danger, it arises from ill-advised, half-masticated experimentation with an economic system whose workings we know about and the results of which, so far as women are concerned, we have ample record. Women are bold gamblers to take the plunge into something new.

But is it new? A study of the proposals for a new social order reveals that most of them are exact replicas of what decadent European nations have tried out for many years. The rest of them are simply applications of political panaceas in vogue since the world began, but, because they are of foreign origin, women no less than the men folks swallow eagerly any suggestion that, because such-and-such has been done in such-and-such a country, therefore it should be attempted here.

Leaping before looking

ONLY recently, we were told by a member of the Cabinet that the United States was 25 years behind Germany in sickness insurance and were chided for being a backward nation. We all felt duly ashamed and girded our loins to catch up with Germany in this particular regard. No one took the time to study the conditions under which Germany adopted its plan, nor, more important, to study the effects of Germany's 25 years' experience in this field. If we had done so, we should have found that the principal effect was to put 32,800 citizens on the tax pay roll in Germany and, with all the effort, a doubling of the number of sick days per year and an increased cost of decreased medical attention.

This is only one example of the score of proposals now being urged upon women to support and, indeed, being propagandized by women with all the enthusiasm and emotion which my sex can muster.

One of our faults is a sentiment which grows into sentimentality. I do not apologize for the sentiment of women, for their heart interest, for their emotionalism (just to show that I am a real woman), and I shall not rest the case of her investment in America upon money alone.

Isabella of Castile was the first investor in America, for she pawned her jewels that Columbus might seek to discover an undeveloped land of opportunity. Our colonial forefathers were investors in America for they invested their courage, their savings and their time that they might found a free country. But their women folk were likewise investors in America, for they invested their spiritual ideas and spurred on their men by their courage and counsel. It was the pioneer women who endured with men the hardships of prairie, mountain pass and wilderness. If the old covered wagon stuck in the mud, the women put their shoulders to the wheel beside the men. Women reloaded the muskets for the men when Indians attacked, and women died on the front line of civilization with the men that America might prosper and become in reality the land of the free.

For this reason women claim three powerful investments in America, the financial, which involves the right to own property and invest money for profit and for security; the physical, which includes the right to a better and higher standard of living than women enjoy in any

other country, and, finally, the spiritual, which conveys the right to preserve that inspired quality of citizenship which was directly responsible for the founding of this country.

As a result of this cooperation of women with men our country has prospered and expanded during the last century, so that women were freed from the necessity of sharing all the burden with men of protecting the home. My exhortation is that the woman of today should show the same characteristics as the pioneer woman and again fight equally with man to retain and protect for herself and her posterity what her great-great-grandmother helped to create and build.

None are so blind as not to see the tremendous changes in our ways of life and work which are being advocated on every hand. I am

the last to condemn them just because they are changes. I do feel deeply, however, that women, equally with men, should consider carefully such changes, with all their implications, before wholeheartedly endorsing them simply because they are something new. I think we should all consider carefully whether it is true that "the Old Order has failed," and that capitalism must give way to collectivism. I think we should all consider whether the so-called proposals to redistribute wealth are not,

in reality, a distribution of poverty. I think that women particularly should look our children in the eye when on the point of advocating that success in any line of business shall be limited by political metes and bounds; that our boy shall have withheld from him the ambition to be another Henry Ford, or a great railroad president in his own right and not because of political preferment.

Organizations disregard cost

I HAVE been a member of various women's committees and organizations and have marvelled at the superficiality of many of their programs. Women are great educators and organizers and have expended much time and effort in the curricula of public schools. They have furthered cultural movements and civic projects, but of the money in their pockets, of the fundamentals of finance and economics, which are vitally important to the life of every man, woman or child, they know little. They have done practically nothing toward broadening the educational base in connection with these subjects. If, by chance, finance enters into their programs, it is generally in connection with the recommendation for spending large sums of money—other people's money, they think, but in reality their own—without questioning or analyzing the business judgment of inaugurating such projects.

Seemingly women are willing blindly to endorse doctrines without finding out whether they are being made the pawns or tools of individuals who seek to impose new ideas or dogmas, results of which will lead to those individuals' political advancement. We hear much today of the new social order and the more abundant life, and I marvel at the willingness of many thoughtless women to accept and repeat, parrot-like, statements the meaning of which they may not understand.

Recently while at a well-known woman's club, one of its officers exhibited great interest in Women Investors IN America, but startled me with the remark, "I do hope

BLISTERING DESERT SANDS

22-TON PAYLOADS—CLOCKWORK SCHEDULES

... BUT THE TIRES NEVER COMPLAIN!



Long Hauls to Colorado River Aqueduct Prove Tough Test of New Goodrich Tire Invention

At a siding in southern California, heavy truck and trailer units take on loads of 22 tons of bulk cement. Then from below sea level—up stiff grades through canyons and on across the desert—goes this modern caravan. Bound for the Colorado River Aqueduct. One hundred and twelve miles a trip. Four trips a day. With temperatures as high as 130°. Sands are blistering hot. Loads are heavy. There's plenty of braking.

It's all in the day's work for the Southern Pacific Motor Transport Service. And it's just another job for Goodrich Silvertowns!

New Tire Invention

Everywhere these new Triple Protected truck tires are setting new records for low cost mileage—for freedom from sidewall "Failure Zone" breaks.

Tires that have proved themselves in the California deserts can handle your job better, too. Don't put off

getting the whole story of the amazing new Goodrich tire construction principle from your local dealer.

Triple Protected Silvertowns actually check 80% of all premature failures! Here's why:

1 PLYFLEX—a new, tough, sturdy rubber material with greater resistance to stretch. A layer of Plyflex in the sidewall prevents ply separation—distributes stresses—checks local weakness.

2 PLY-LOCK—the new Goodrich way of locking the plies about the bead. Anchoring them in place. Positive protection against the short plies tearing loose above the bead.

3 100% FULL-FLOATING CORD—Each cord is surrounded by rubber. With ordinary cross-woven fabric, when the cords touch each other, they rub—get hot—break. In Silvertowns, there are no cross cords. No friction.

This expensive development costs you nothing extra. You pay no more for Silvertowns than for other standard truck tires.

FREE! 44-PAGE HANDBOOK FOR TRUCK OPERATORS

Every truck owner, every driver should have this big 44-page handbook. Gives commodity weights, tire load capacities, inflation schedules, dual spacing chart, load analysis and other useful information. No obligation. Write for free copy. Dept. T-81, The B. F. Goodrich Company, Akron, Ohio.



Goodrich *Triple Protected* Silvertowns

SPECIFY THESE NEW SILVERTOWN TIRES FOR TRUCKS AND BUSES

your organization is working toward the destruction of capitalism, for of course we must have a more social state as the ideal, and it would be so wonderful if we could bring it about in this country." The virus of alien ideas and theories had been successfully injected into her thoughts, and, without analyzing the merits of either, she was quite willing to assist in promoting the theory of communism and the destruction of capitalism.

When I asked her to define capitalism, she was at a loss to do so, but quick to condemn one or two prominent capitalists. She focused her thought upon their personalities rather than upon the impersonal system. She might as well have selected Dillinger, the gangster, as being representative of business or of citizenship, as the individuals she named as representative of capitalism. She continued a further attack upon our present conditions, and deplored the frightful plight of our country, all due, so she claimed, to capitalism.

Of course she was surprised when I suggested that the standard of living she now enjoyed and the tremendous sums we are now expending are directly due to capitalism. When I mentioned that people are enjoying better homes, more conveniently constructed apartments, have in use twenty-six million automobiles, twenty-one million radios, millions of electric iceboxes, not to mention steamships, railroads and airplanes, all of which are products of capitalism, she failed to understand that capital is that part of wealth which is saved from production and laid by to be used in future production. These savings, combined with the savings of others and invested in productive enterprise, make her either a creditor or a part owner of industry and form the foundation of capitalism. Nor did she consider that her savings, when entrusted to an insurance company, a savings bank or a building-and-loan association, all further the expansion of industry and help to provide continuous employment for men and women.

Wealth is not static and wealth should not be measured in terms of money only. Our national wealth represents real estate, plants and factories, machinery, bricks and mortar, contracts, good will, patents, markets, educational and cultural privileges, conveniences of living, all integral parts of American citizenship. How a fair and adequate redistribution of these great assets could be effectively accomplished to enable every Tom Jones or Minnie Smith to own a \$5,000 home or a \$2,000 automobile is difficult to understand.

No greater redistribution of wealth was ever experienced than during the world-war period when the savings of the Pennsylvania school teacher, invested in Liberty Bonds, eventually found their way into the pay envelope of the communistic lumber jack working for \$15.00 a day.

My observation has also been that women's clubs and organizations are often too prone to follow the leadership of women—so-called intellectuals—who are directly

or indirectly on tax pay rolls. Naturally, and humanly, they are enthusiastic about their work and, knowing more about that than anything else, exploit it and seek to justify it. They come mostly from college communities where they have been privileged to use expensive apparatus and facilities and seldom counted the cost to the taxpayers or honored the system which produced the benevolent donors of the buildings and equipment, and oftentimes the bread-and-butter salaries.

Exhorting Government activities

LEADERS in some women's organizations, I have observed, are often identified with activities of government in its local, state or national manifestations. They therefore may become, honestly and unconsciously, exhorters in and out of season for more government activities. They resent any questioning which seems to weigh the usefulness of methods or the worth of projects as an indirect criticism of themselves and their life work.

The influence of this group consciousness is both apparent and real. The danger is that the place she holds on the public pay roll may come to be regarded as the undebatable due of the incumbent, rather than a preferment by sufferance of taxpayers.

We are threatened today with the complete dethronement of the fundamental principles of government under which the great American republic has prospered, and it is up to the women again to join with men—to stand shoulder-to-shoulder with our constructive business leaders in an effort to establish not only a better public understanding of the basic principles of business prosperity, but to lead our people toward a realization that unless the rights of private initiative are to be recognized, industrial and personal freedom is at stake.

Do we want to adopt alien policies of government? And if we do adopt these policies will American women then enjoy their present status or will they be like the women in Germany, Italy or Russia? Do we wish to substitute for the coordinated ideas of Alexander Hamilton and Thomas Jefferson those of Karl Marx, Nikolai Lenin or Adolf Hitler?

Individual initiative and effort, combined with ambition and courage and spurred on by the motive of profit, have been the formula by which national wealth has been compounded. Are we willing to change this reliable formula for the untried prescriptions of experimentalists, theorists and demagogues?

I truly believe the tense controversy arising over the public-utility legislation has been the spark which has ignited woman's interest in finance. She is the guardian of her own pocketbook and she may now well become the watchdog of the nation's pocketbook, for women in all walks of life seem to desire to take a united and vigorous stand in matters affecting the nation's pocketbook.

If longer we permit government competition with pri-

(Continued on page 55)

Let Us Know What She Says . . .

WHO really wears the trousers in America is as much a matter of economics as of fashion. Women's stake in America as disclosed by Miss Curtis suggests that men are masters of their business fates more by sufferance than by sovereignty. Here's evidence that the woman pays—whether or not she knows it—to finance the enlarging wonderland of political experimentation, which she so often advocates. Miss Curtis's revelations are not for men only. They are also directed to women. At their peril men will pass this article on to their women-folk. To borrow a warning from the fireworks fellows: "Do not hold in the hand after lighting".—The Editor

\$500,000,000.00 Advertising Experience. So What?

Since the day Lord & Thomas began business nearly seventy years ago, our clients have invested, through us, more than \$500,000,000.00 in advertising. \$350,000,000.00 of this has been placed through us in the past ten years.

"So what?" one may properly ask. And to that question here is our answer:

We have always held that advertising experience is of little value unless it yields principles to make advertising ventures safer and more profitable.

Money-Making Principles

\$500,000,000.00 buys a lot of advertising experience. Handling a volume so vast has developed principles here in Lord & Thomas that hatch new ways of making money for our clients. Principles, many of which have found permanent place in advertising practise.

Advertising was merely "keeping the name before the public"—General Publicity—until that historic day in advertising thirty years ago when a Lord & Thomas man startled the business world of America by defining advertising for the first time as salesmanship-in-print. Which means:

"giving the consumer in an interesting way, the REASON-WHY it is in the consumer's interest to buy the wares you have for sale."

Surest of All

We have never departed from salesmanship-in-print (REASON-WHY) as our measuring stick for advertising. It is the surest, the hardest to achieve of all forms of advertising. It calls for great experience applied with equally great intelligence.

With competition in merchandising as keen as it is today, winning reasons-why take on the importance of major discoveries. With life as complex as it is in 1935, consumer interest is harder to capture.

Rewards Greater Than Ever

But the rewards are greater than ever before. Some of our clients, among America's largest, won their biggest victories the past five years with pure salesmanship-in-print.

Sometimes the key to real salesmanship-in-print is found in Research, though to us Research is never an end in itself. But only a means to creating great advertising copy.

Sometimes a collateral to salesmanship-in-print is found in strategy.

We were not the first to win users and dealers overnight with free-deals, premiums and other promotions. But we do claim—and justly—to have worked out their best applications. And not to let them divert attention from an advertiser's Reasons-Why.

Salesmanship-in-print properly applied offers greater rewards today than ever. Bigger markets. Greater output. Millions in profits. Exclusive interest for products with no advantage at first sight.

Tales That Dollars Tell

\$500,000,000.00 is a lot of money, in any country, on any standard, and the experience gleaned from its expenditure must result in a storehouse of knowledge.

The \$500,000,000.00 we have spent in advertising has taught us continuously that the essence of advertising is salesmanship-in-print—REASONS-WHY in copy that command action from the reader.

LORD & THOMAS

Advertising

NEW YORK
247 Park Avenue

CHICAGO
919 North Michigan Avenue

LOS ANGELES
601 West Fifth Street

TORONTO
67 Yonge Street

PARIS
16 Place de la Madeleine

LONDON, ENGLAND
Millbank, Westminster

SAN FRANCISCO
235 Montgomery Street

Each Lord & Thomas office is a complete advertising agency, self contained; collaborating with other Lord & Thomas offices to the client's interest.

No Business Can Escape Change

News of new products is this column's stock in trade. Our readers are invited to help keep the stock fresh

A new motor truck which runs on rail or road carries combination wheels which mount steel-flanged and pneumatic tires alongside. The pneumatics are deflated when the truck takes to rails, reinflated simultaneously by the engine when the road's resumed. . . .

Another new type of locomotive appears—a 65 ton switching locomotive which uses butane gas to drive its two gasoline engines (slightly modified) which in turn drive an electric generator. First cost and maintenance are said to be even lower than for diesels. . . .

Cellular rubber, produced by beating latex and certain other ingredients into a froth and then gelling it, is one of the latest forms of rubber. It differs from sponge rubber, finds its greatest present use in seat cushioning for autos, theaters, etc. . . .

Rubber handles distinguish a new line of stainless steel kitchen cutlery. Cotton fabric is molded underneath the one-piece handles, lending strength and shape. . . .

An electric headlight distinguishes a new electric iron. Other features: a visible heat indicator, air-cooled handle. . . .

A candle that never drips, fades or melts is the latest in table decorations. It's made of light metal, in pastel shades, uses pocket-lighter fluid for fuel. . . .

A new home thermometer registers both the inside and outside temperatures, the latter through a special wiring attachment placed outside a window. . . .

Lid of a new carpet sweeper snaps open, revealing a one-piece dust pan which lifts out for emptying. . . .

Hazards of smoking in bed are reduced by new, fire-resistant bedding. The fabrics are impregnated with certain chemical salts. The process is also applied to cushions, drapes. . . .

Fire-starting is made easy with a new "concentrated kindling." Pressed from a slow, hot-burning material into $9\frac{1}{2}$ " lengths, one stick and a match are said to kindle any fire. . . .

Equipment is now available for reducing humidities in processing and packing rooms, factories, homes, offices, etc. Moisture is removed by adsorption, activated alumina being used as the agent. . . .

Work of the gas welder is facilitated by a new all-rubber hose which contains a dual passage, thereby carrying both gas and air to the torch through a single line. . . .

A compact new air-operated platen press for molding plastics or rubber offers a rapid closing stroke, 15 to 18 tons pressure, equal power on the reverse. One man can operate several. . . .

A new process permits a cellulose nitrate coating to be produced on any material—wood, metal, glass, rubber, etc. The coating's said to resist wear, weather, chemical attack (except an acetate), can be pigmented for decorative effects. . . .

Flexibility rivaling that of live rubber is claimed for a new lacquer coating. In clear or aluminum color, the "stretchable" coating's applicable to rubber balls, bathing suits, etc. . . .

All-rubber drums for shipping and storing acids and other corrosive liquids are now offered. They're said to be practically indestructible, may be had in five, 13 and 55 gallon sizes. . . .

A recently developed alloy steel which expands under heat at the same rate as glass is now commercially available. . . .



The old garbage pail is eliminated by a new device which attaches below new or old sinks, grinds all waste food (including bones) to a fine pulp which is flushed into the sewage system

Two free-cutting aluminum alloys, one with magnesium content and one without, have recently been developed for screw machine work. . . .

Standard sizes of lumber can be quickly converted into saw horses of various heights, without boring a hole or driving a nail, through use of a new line of malleable iron brackets. . . .

Moisture resistance, hardness of wood is increased through a new process by which the wood is impregnated with a synthetic resin. First application: to bats, golf clubs, etc. . . .

An electric hammer for chiseling, chipping, cutting, etc., which, through a simple adjustment, can also be used as an electric drill and for light grinding and buffing is now on the market. . . .

A new air-driven breaker for ripping up pavement and for other heavy demolition is also convertible into a sheet piling driver. It strikes a hard, slow, slugging blow, sans recoil. . . .

Miners and others who risk their skulls are offered a new safety hat of hardened aluminum. A flexible rubber brim combines with a floating hat band to ease shocks, facilitate ventilation. . . .

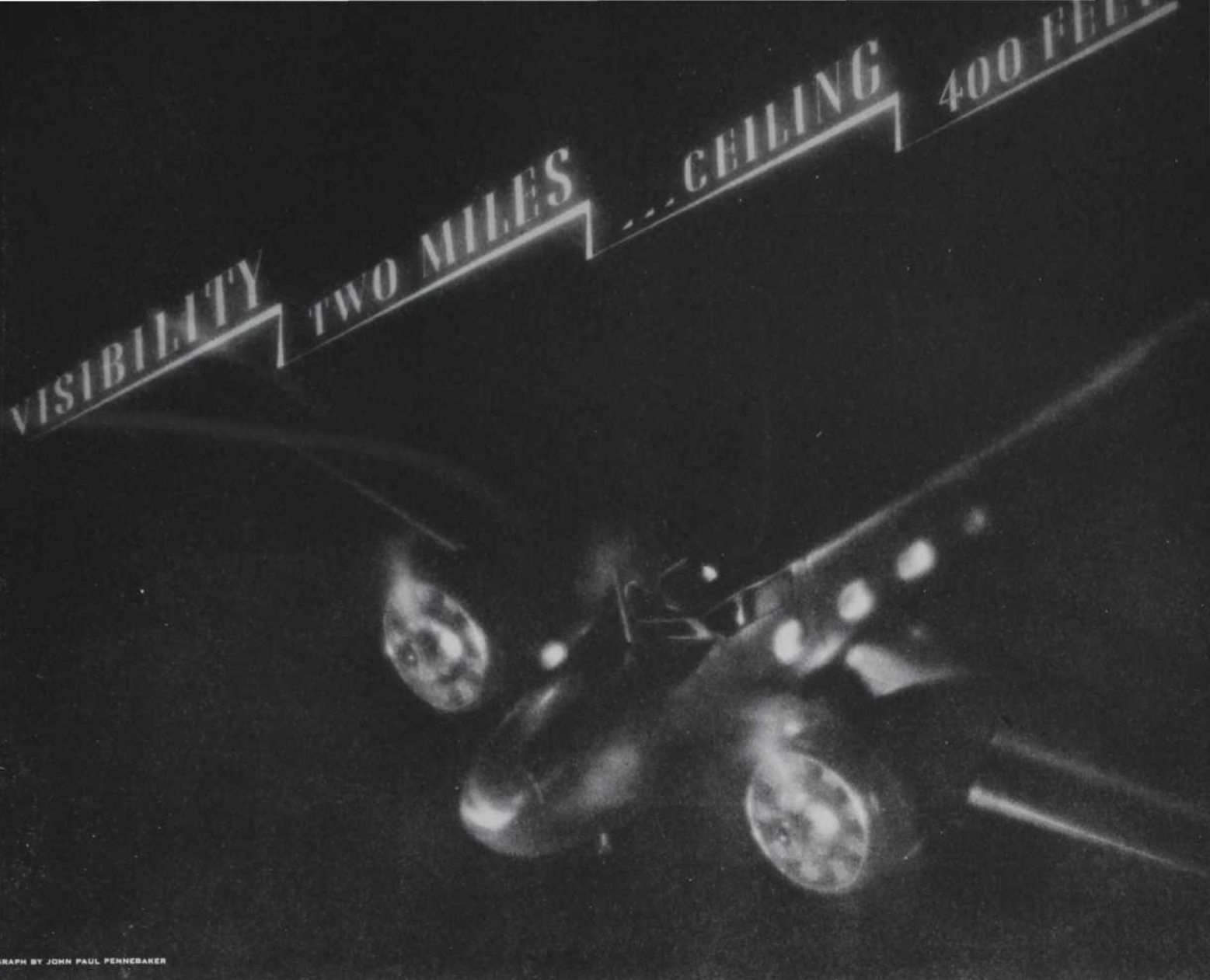
Time and cost of painting backgrounds is saved by a recently developed sign and display material. Made of $\frac{1}{8}$ " board, it is available in 14 colors, takes water color, oils, inks, etc. . . .

A new light-reflecting sign, for indoor or outdoor use, is made of aluminum, the reflecting portions having a mirror polish finish. The sign's said to be durable, inexpensive. . . .

High-grade pick-up throughout a range of 40 to more than 10,000 cycles, regardless of the direction of sound approach, is said to be practicable with a new non-directional dynamic microphone. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.



PHOTOGRAPH BY JOHN PAUL PENNEBAKER

OUT THROUGH THE NIGHT radio speeds the words that make flying safe. From the radio control room the buzz... buzz...buzz of the radio beacon also spans the air lanes to keep planes on their course. Radio adds safety to the speed and convenience of flying—for radio provides *control*. Wherever power is pulsing away doing a job, whether it's carrying human cargo through the skies or turning the wheels of Industry, its *control* decides its safety . . . its economy . . . its very practicality.

That is why Motor Control is of such prime importance. Most of Industry's work today is done by electric motors. And what electric motors do, how well they serve, how little they waste, depends largely on Motor Control. To protect huge investments in machinery and vast payrolls, to secure speed with safety, executives today rigidly specify Cutler-Hammer Motor Control. CUTLER-HAMMER, Inc., *Pioneer Manufacturers of Electric Control Apparatus*, 1251 St. Paul Avenue, Milwaukee, Wis.

What is Motor Control?

Motor Control has no form. Whether it is a device like the cold control for your household refrigerator or an entire balcony panel as in the steel mill, it starts, stops, regulates and protects motors to save time, trouble and expense. The name Cutler-Hammer is its greatest guarantee.



CUTLER-HAMMER  MOTOR CONTROL

Such as Walk in Darkness

A Short Story by PAUL McCREA



ACTUAL STRIKE PHOTO
BY WIDE WORLD

THE chauffeur climbed out to open the car door but Sylvanus Danton was on the curbing before him.

"The usual time, Bruce," he said, "unless I call you."

"Yes, sir."

Sylvanus turned away. The chauffeur spoke uncertainly.

"Look, Mr. Danton," he said, "hadn't I better come with you? I used to fight some in the ring."

"We've got too many fighters already, Bruce," Sylvanus said. "You go home and look after the women. Somebody threw a brick through the window last night, you know."

"I'd like to catch him," Bruce said hopefully.

Sylvanus left him standing there and cut diagonally across Blucher Street toward the driveway that led to the Plant. The shadow of the maple tree in the Pale yard reached almost to the hydrant at the corner. That meant it was nearly seven-thirty. For years he had checked his arrival at the Plant by the growing length of that shadow. It had become a part of his life, just as the Plant had become a part of it. The three of them had grown up together.

It had been only a sapling shielded by a triangle of two-by-fours when Henry Pale had come to ask Sylvanus' advice about buying the house.

Sylvanus remembered the interview. Henry standing in his office in his overalls.

"You know this house—the second one on Blucher Street—do you think it's a good buy at \$3,500?"

"What do you want with a house, Henry?"

THE unexpected death of a "capitalist" brings a better understanding between management and labor and ends a bitter strike

"I'm going to get married. One of the Lowry girls out west of town."

"The big place where we used to steal apples?"

"Yeah. Remember how we ran the time the old man chased us?"

They had laughed together and he had told Henry to buy the house. Afterwards he had sat a long time looking off across his office—thinking. Henry was getting married. Buying a little house and making it into a home. Pretty soon there would be some kids.

"It is so my turn to carry the lunch bucket tonight, isn't it, Daddy?"

Too busy with the shop

HE had sat so long that it had been necessary to carry the plans for the new stamping shop home with him. The job of finding money to build that shop had kept him so busy for months that he had never called on the newly married Mr. and Mrs. Henry Pale in their little house with the sapling in the yard. In that house Henry had raised a family. Nearby Sylvanus had built a Plant.

He wondered, as he crossed Blucher Street, which of them had done the more worth while thing.

In the yard beside the Pale's a drab woman in pajamas poured water out of a sprinkling can on a red rose bush. Her name was Emery. Her husband was a fireman at the Plant.

A yellow-haired boy chased his sister across the yard with a stick. The girl seized her mother's knees and water spilled from the can.

"Now," the boy said, handing over the stick, "it's your turn to be a dirty, old policeman."

The girl looked at Sylvanus cutting across the parking toward the plant driveway. She whispered to her brother. Two pairs of wide blue eyes fixed themselves on the man. Then the boy said, "Pig."

His sister echoed, "Pig."

"Pig. Pig. Pig."

The boy made a chant of it.

"Silly Danton is a pig. Silly Danton is a pig."

Their mother did not try to stop them.

The boy stopped for breath and inspiration.

"Silly Danton is a—monkey—"

Shrill, childish laughter followed Sylvanus up the driveway toward the Plant.

The way was littered with broken bricks. They had served as weapons in yesterday's battle between the troops and the strikers. They might serve again today. Sylvanus hoped not. Boards in the high fences which lined the alley were broken. On one was a long splintered gash. Probably from a militiaman's bayonet. Sylvanus wondered if that thrust was aimed at a striker's body. He sucked



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his breath through suddenly clenched teeth and walked on, keeping his eyes on the littered pavement.

A few men in overalls slouched in the yard of the square green house by the Plant entrance. Billy Kirchner's widow lived there. Billy had died last year and the Plant paid her a pension. One of the windows was broken and the hole was plugged with a wadded gunny sack.

Militia in charge

THE gates in the meshed wire fence that hemmed the Plant were chained and locked. Outside two nervous militiamen stood with fixed bayonets. Inside, a militia officer sat on some sandbags and smoked a cigarette. He was the colonel in command of the troops the Governor had sent after the strikers beat the policemen. There was a machine gun back of the sandbags where it could cover the gate.

A man in overalls saw Sylvanus and spoke out of the corner of his mouth to a companion. Both of them stood up. Other men turned their heads, hesitated, and climbed to their feet. They shambled down to stand at the curbing. One of the men was Henry Pale. He had a half brick in his hand.

Sylvanus saw his face as he walked staunchly up the middle of the alley. It was a strange, hating face and the look it gave him hurt. Then Henry looked away.

A man behind Sylvanus said, "Boo-oo." The crowd on the curbing picked up the cry.

"Boo-oo."

Sylvanus marched on. The Colonel stood up and threw away his cigarette. He walked toward the gate.

The militiamen threw their bayonets forward and waited anxiously.

"Halt," one of them said. Sylvanus stopped.

"I'm Danton," he said. The soldier looked puzzled.

"It's all right," the Colonel said. He fumbled with the chain on the gate.

The men in the Kirchner yard were growling. Now and then a word stood out.

"The dirty—"

"I'd like to—"

Suddenly the soldier said, "Look out."

He grabbed Sylvanus' arm and yanked—too late. A half brick glanced from Sylvanus' temple. The soldier's arm hooked under his as he staggered. His hat went somewhere. The brick bounced on the paving leaving a spot of red dust.

A whistle blew and soldiers came running.

"Ya-a-a-a," roared the crowd.

The gate gritted open and the Colonel took Sylvanus' arm.

"You shouldn't do this," he said as he helped him inside.

The gate clanged shut and the chain rattled. A soldier was slipping gas bombs back into a bag on his neck.

Sylvanus' face was warm and wet. His hand, when he touched his forehead, came away red and dripping.

"Old boy's got plenty nerve," a soldier said. "Me, I wouldn't walk through there."

"Let's get out of this," the Colonel said.

A soldier handed him Sylvanus' hat. It was crumpled and there was a black smear on the crown. Sylvanus took it dully. He shook off the Colonel's steadying hand.

"My office," he said and started across the lawn.

Three tan trucks with U. S. A. on their sides were parked in the drive between the Foundry and the Finishing Plant where the company executives usually parked. Other workers left theirs in a space beside the storehouse. Tents stood in that space now.

The Colonel strode beside Sylvanus offering a handkerchief.

"Blood's dripping on your coat," he said.

"No matter."

The door to the Administration Building was open. A soldier sitting on the steps stood up and saluted.

"Tell Captain Hanson to take charge," the Colonel said. "If he wants me, I'll be in here."

Sylvanus climbed the worn steps

and entered his office. A clock on the whitewashed wall ticked methodically. It had been ticking so when Sylvanus and Henry Pale first came to work in this room years ago. This had been the sorting room then and the Plant had been only one building.

"Now let me see your head."

The Colonel tugged at a first-aid kit. Sylvanus sat down at his desk. Automatically he glanced at the papers that had been there nearly a week.

"Report of Traffic Department on advisability of shipping by truck—"

"Minutes of meeting of shop committee—"

"List of stockholders eligible to receive quarterly dividend—"

That dividend had never been paid. Maybe it never would be.

Sylvanus leaned back and closed his eyes. His wound burned as the Colonel daubed at it.

"A nasty gash," the Colonel said. "You need some stitches. You had no business coming here."

"I've been coming here 20 years. It's you who have no business here."

"We're not here because we want to be. The Governor sent us. They'd have wrecked your Plant if we hadn't. If this fellow had better aim, he'd have wrecked you, too."

"He never could throw straight," Sylvanus said.

"Oh-oh. You know him then?"

A fly complained as it bumped against the window. The room was hot.

"I used to," Sylvanus said. "We were friends once."

"I take it you're not now."

"We ought to be."

"Why aren't you?"

"Because," Sylvanus said, "he had a gift for tools and I for management."

"What does that have to do with it?"

Behind his closed eyes Sylvanus' mind worked with aching clarity.

"Maybe I can make you see it," he said. "Most people can't, or won't, because we insist on thinking of people as groups instead of as human beings. We talk about employers and employees, about bankers, and farmers, and skilled labor and capitalists. We forget that the man who digs the ditch and the man who tells him where to dig it are just people. We call one labor and the other management and nobody tells either one of them that what they both want is enough to eat, a place to sleep and a chance to have a little fun. Instead, we make each of them think that the other fellow is out to gyp

(Continued on page 44)



ACTUAL STRIKE PHOTO BY UNDERWOOD & UNDERWOOD

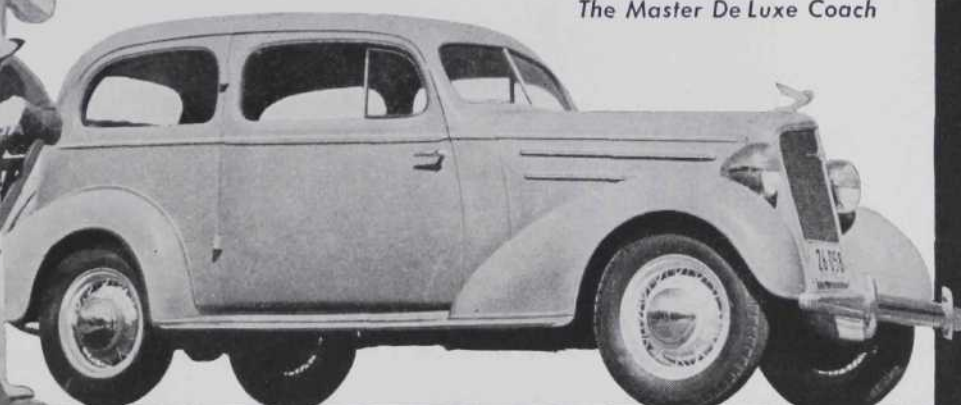
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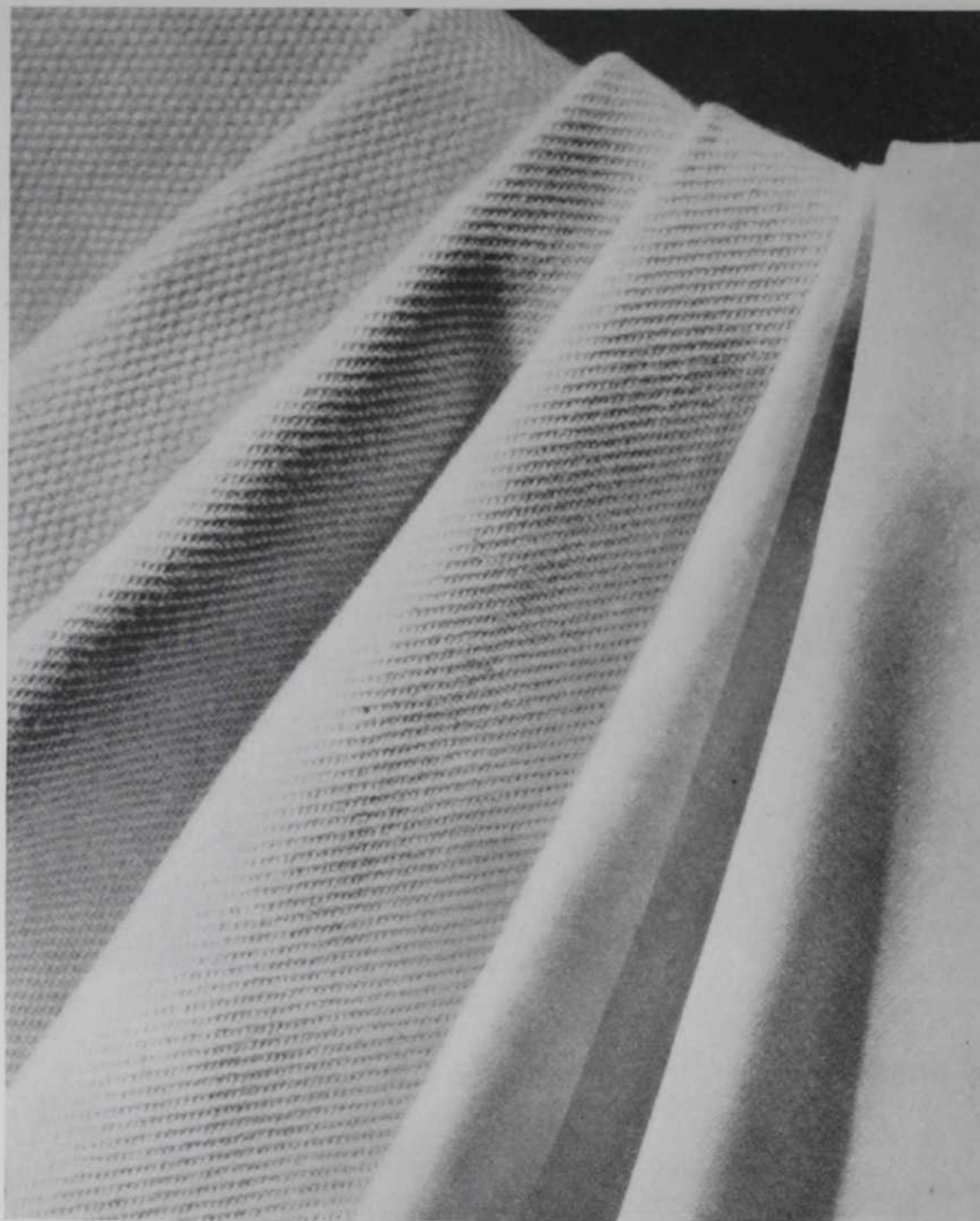


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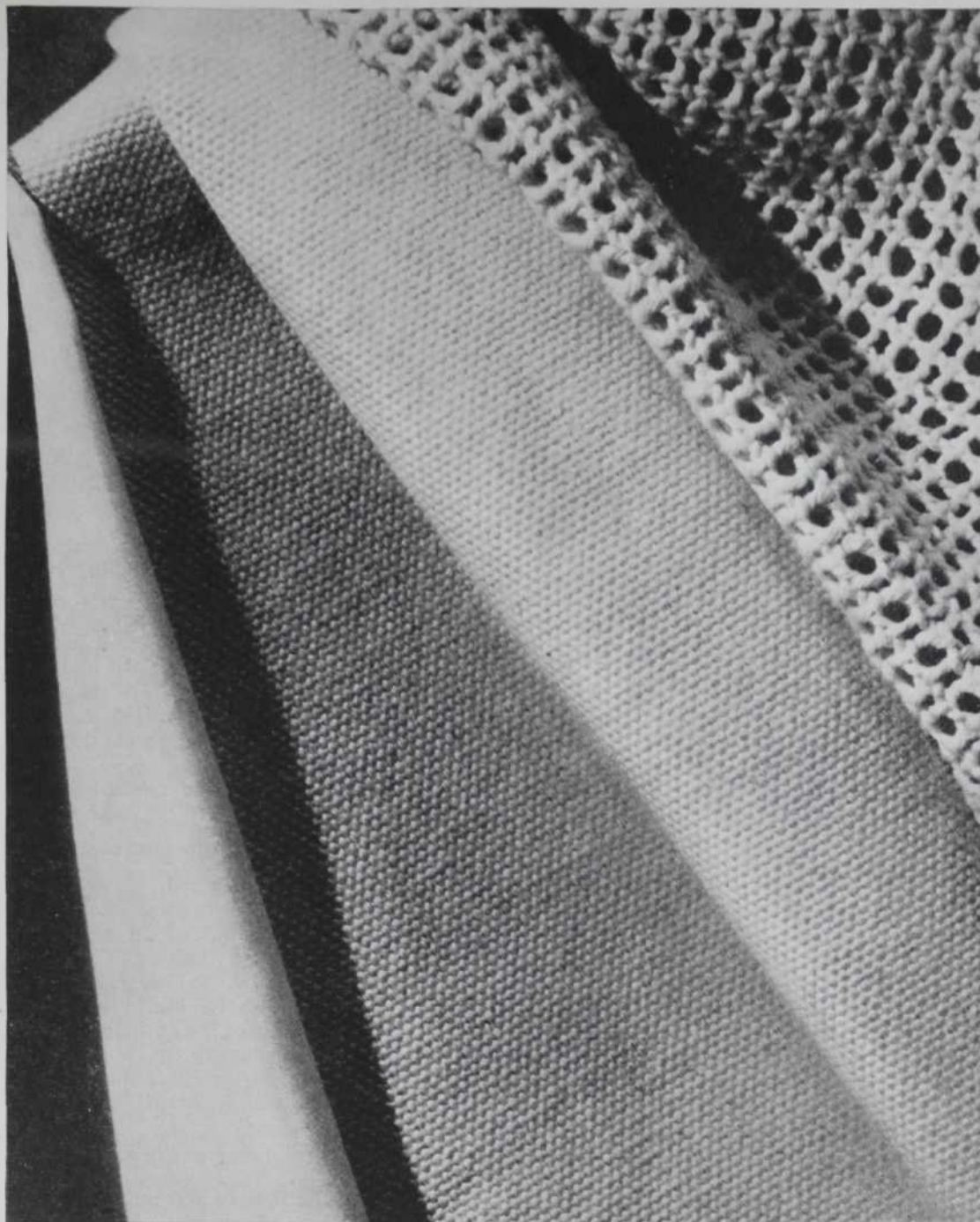


Above, Shawmut Belting Duck, Anchor Twill for filtering oil, sugar, soaps, etc., and BA 30 Cloth for balloons and aeroplane wing covering

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Such as Walk in Darkness

(Continued from page 40)

him if he can. As long as people think that way, there will be strikes and wars and damn fool laws and, in spite of it, some people will continue to be smarter than others, or more ambitious or luckier, or have different talents.

"Some will have bigger cars and bigger houses than others. Some will save money and have security. Others will spend it and have fun. Some will raise families like Henry Pale. Some will build a business like me."

"Haven't you a family?"

"Yes, but I don't know them. I've been too busy. Henry had time to go fishing with his boys because he went to work when a whistle blew and quit when it blew again. No whistle blew for me. I carried business home. But I don't begrudge Henry that. He's a better mechanic than I am, but I don't hate him for it. Why should he throw rocks at me because I'm a better executive than he is?"

"I'm a soldier," the Colonel said, "not a philosopher."

He pressed the dressing into place on Sylvanus' forehead and went over to open the window. The fly's complaining drone faded as he curved out into the sunshine but a louder, more sullen hum welled up and filled the room. The Colonel leaned out to look down at the gate.

"Crowd's gathering," he said. "It looks like a dirty day."

Sylvanus got to his feet. Blood pumped in his forehead and the room waved uncertainly. His palms were damp as he put them on the desk to steady himself. Then he walked to the window.

Sentries with bayoneted rifles paced inside the fence. Two men squatted at the machine gun behind the sandbags. An arm-waving orator stood on a box outside the gate. An angry grumble rose from the crowd that ringed him. He shook his fist at the Plant and his scream threaded up to the window.

"Symbol of capitalism—"

"Capitalism!" said Sylvanus.

He walked back to the desk and picked up the list of stockholders.

"H. K. Perkins, 10 shares—he works in the Plant. Mrs. John Blake, 25 shares—she's a widow. Miss Sarah Corby—100 shares—she's a retired school teacher. She scrimped for years to buy that stock and is proud of the independence those dividend checks give her. When they don't come on time, she puts on her shawl and comes down to see what's wrong with 'her company.'"

He tossed the list down.

"One time she came, the store house was on fire. Looked like the whole Plant would go. Firemen and engines all over the place. I was trying to save the records and she wanted to help. In the way, of course. I finally had to stop and talk to her to get her out of here."

He sat down wearily.

"That's the kind of capitalists we have. Should we stop their dividends to pay labor more money?"

The Colonel lighted a cigarette. He hung a leg over the corner of Sylvanus' desk. There was a smudge on his polished puttees as his foot swung back and forth.

"Well, should you?"

Sylvanus sank into his chair. He put a hand on his throbbing head.

"I don't know. The money those people risked in this business helped us to grow from a little Plant to a big one. Twenty years ago we had fifty men. Today we have a thousand. That's 950 men who might not have jobs except for these people they call capitalists—"

The hum outside swelled into a shriek, to be choked off to an abrupt hush.

"Hey!"

A whistle screamed.

There was a rending crash and then all the tumult of the ages came crowding in the window.

"Damn," said the Colonel and went pelting down the stairs slamming back the slide of his automatic.

Sylvanus sprang up, bumped the desk and sent his chair thumping to the floor as he followed.

Fighting at the gate

SOLDIERS were streaming through the drive and across the lawn in front of the building, their heavy shoes taking great gulps out of the flower beds. The Colonel was already sprinting toward the place where the gate had been. Sylvanus panted after him. The gate was down and the fence on both sides of it sagged inward. An automobile stood in the yard and around it men fought desperately.

Something said "clank" and a rock rolled at Sylvanus' feet. A soldier in front of him went down, a dent in his steel helmet.

The Colonel had stopped by the sandbags and was waving his arm at a young lieutenant. The boy galloped away as Sylvanus came up. The Colonel saw him.

"Get the hell out," he said.

Sylvanus didn't go. He watched as what seemed an endless stream of men swarmed over the broken fence

and met the soldiers hand to hand. Over by the Administration Building a soldier swung his hand in a wide, straight-armed loop. Another soldier swung his and a greasy cloud from the gas bombs belched up near the automobile. Soldiers and strikers came away from there clawing at their eyes.

Not stopped by gas

THE strikers scattered toward the Kirchner house and the vacant lot on the other side of the drive. Somewhere a tortured throat was letting out weird cries. Militiamen were hauling at their gas masks. The gas boiled around the automobile and roamed off toward the vacant lot. Tentative heads, dimly seen through the fog, appeared beside the Kirchner house. A huddled figure came hurrying up the drive from Blucher Street.

"They'll try it again," the Colonel said. "Gas won't stop them now."

"What happened?"

"They smashed the gate with the automobile and came piling through."

He coughed orders at the company officers who were reforming the militia. Sylvanus' eyes began to smart.

The huddled figure from Blucher Street stumbled on the fallen gate, swayed uncertainly and then came on, ghostly in the lifting gas. Sylvanus rubbed his eyes and they ran with water. A great yell went up from behind the Kirchner house and a man sprang out.

"He-e-ere they come," yelled a militiaman.

"He ought to keep his gas mask on," the Colonel said hoarsely. Figures streamed across the vacant lot and the brick barrage began again. Through blinking eyes, Sylvanus saw the figure by the car pause and turn back.

The Colonel looked appraisingly at the thin line of militiamen and at the roaring horde. He spoke to the machine gun crew.

"Ready."

The gunner checked his sights and pulled back the cocking piece.

The downed fence squirmed as a hundred feet churned into its meshes. Gas plumed and eddied as the charging line plunged in. The lone figure by the car began to run.

"Let 'em have it," the Colonel said.

Sylvanus sprang forward.

"No!" he screamed. "No!" and threw himself upon gun and gunner.

The man went down. The gun swung stuttering in a wide arc and a dozen bullets whined hungrily over the vacant lot.

Silence pounded down.

Sprawled upon the gasping gunner,

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SALES OFFICES IN PRINCIPAL CITIES



Sylvanus looked out across the sandbags. For a pulse beat time had ceased. Strikers and militiamen stood tense, shocked to inaction by the machine gun's murderous voice. Here was an upraised club, yonder an upflung gun-butt, midway between the lines a small, confused figure and arching idly through the air, a rock.

Sylvanus' cry of warning croaked in his dry throat as, fascinated, he watched that rock complete its journey. The small figure stiffened at the impact then wilted as its strength drained away. Sylvanus threw up an arm and pointed as a faded shawl squirmed downward, fanning away the fog.

"Jeez," a soldier said, "a woman."

The tension was broken. Sylvanus scrambled over the sandbags and lurched toward the place where Sarah Corby turned reproachful eyes upon the gaping crowd and folded up on the pavement. Nobody interfered.

One of the capitalists

THE woman lay on her side in a puddle of water from the automobile's smashed radiator. The water was cool against Sylvanus' knees as he knelt and lifted her, pillowing her head against his arm. It smeared her left cheek and Sylvanus fumbled for a handkerchief to wipe it off.

A striker knelt beside him.

"Get a doctor," Sylvanus said. Other strikers were gathering around soberly.

"Yeah?" said the man, but he rose and left. Another man took his place.

Remnants of the gas scraped Sylvanus' throat and eyeballs. His own wound was open again. He could feel blood trickling down his cheek. A jumble of voices around him.

"It's Old Lady Corby."

"I'll kiss your foot."

"She dead?"

"There's Danton."

"If she's dead, he killed her."

"Killed nothing. He stopped the machine gun."

"The hell he did!"

Then Henry Pale knelt beside him.

"Where'd she come from?"

"She was coming to get her dividend check. It's late."

Henry's eyes were red from the gas and his face was drawn. He looked hungry. Other men squatted down.

"Say, she taught me in school."

"Me, too."

"Why don't somebody do something?"

"I've sent a man for a doctor."

"What's the matter with her?"

"Look at the back of her head."

"Gawd!"

"Stand back," somebody said, "give her some air."

Henry looked at the gathering crowd.

"Let's take her to my house," he said. "I'll help."

Sylvanus tightened his arm under the woman's shoulders and reached beneath her knees. He took Henry's hand. It was hard and rough and there was a great callus on his thumb. They stood up with the woman between them. In spite of her welter of petticoats, she was an insignificant burden. Sylvanus remembered how formidable she had seemed years ago.

The ring of strikers opened to let them through. Some followed respectfully.

"She licked me once," a striker said.

"Bet you needed it."

Somebody laughed hysterically.

"Sock that guy," a voice growled. The laughter stopped.

A man who walked beside Sylvanus limped. His nose was bleeding and he kept wiping it on a smeared forearm.

Side by side he and Henry walked down the drive and along Blucher Street. The shadow of the maple tree had shortened. It reached only to the edge of Henry's yard. Mrs. Emery cautiously opened the door and watched them pass, the yellow-haired children peeking from behind her. She wore a dress instead of the pajamas.

They crossed Henry's yard and their heels clicked on the sidewalk.

"Watch the top step," Henry said.

It wobbled under their feet.

"One of the risers is rotted."

Old Man Lowry's daughter came to the door, wiping her hands on her apron. Her hair was pulled into a knot at the back of her neck. Her face was pale and she squeaked through blue lips when she saw the burden they carried.

"I heard the shooting," she said.

"I was scared."

Far off on Blucher Street a siren whined.

"Somebody stop the ambulance," Sylvanus said.

They carried Old Lady Corby into the house.

"Put her on the sofa."

The sofa was a square-cut davenport. The frail figure made little impression on its imitation leather seat. They stood and looked at her, Henry and Sylvanus and a couple of others.

The ambulance screamed up and stopped.

"She's dead," the doctor said.

Two other men came with a stretcher and lifted her on to it. The strikers drifted out to watch the ambulance howl away.

Mrs. Pale sat on a straight chair and sobbed into her apron. Henry pawed her shoulder.

"There, there," he said.

"All this fighting," she sobbed and

ACCOUNTING

has kept pace with the progress of mankind

UP through the ages, many accounting methods and devices have been developed and discarded. Prehistoric cave dwellers carved their records on crude stone tablets. Ancient Peruvians kept accounts by tying knots in strands of cord. The abacus, or bead rack, was widely used in China and Japan.

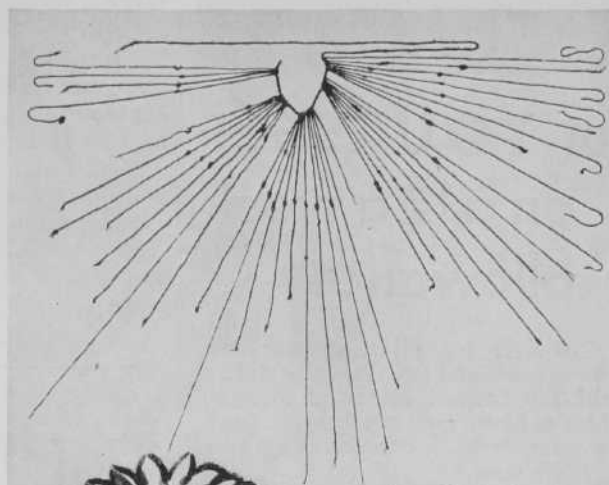
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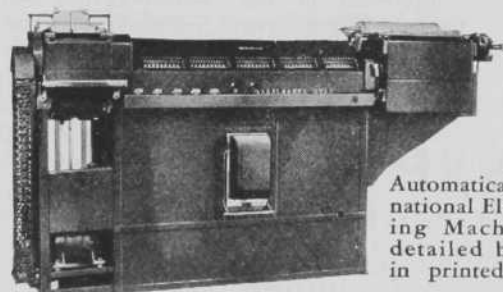
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The *quipu* is the name of this strange device of knotted cords. It was used by ancient Peruvians to record the facts of their existence.

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reached up and clung to his callous thumb. Henry scuffed self-consciously at a strand of carpet that had been frayed by feet going to the dining room.

"There'll be no more fighting," Henry said. Sylvanus stood there breathing loudly as embarrassed men breathe and trying to think of something to say. His head was beginning to throb again and he touched his forehead. The dressing was torn loose and he tried to stick it in place. He took his hand down quickly when he saw Henry watching him.

Mrs. Pale wiped her nose on her apron and looked forlornly at Henry. "This awful strike," she said.

Henry sat down on the hard sofa and stared at a faded rose on the carpet.

"It's tough," he said, "Old Lady Corby—comin' to get her money."

"She taught the fifth grade," Sylvanus said.

"Fourth," said Henry.

"I thought it was the fifth."

"Hu-huh, remember, I couldn't learn long division."

"You could if you hadn't played hookey all the time."

"I didn't play hookey any more than you did. We went together—fishing."

There was a long silence.

"I haven't been fishing for years. Too busy."

"Me, neither. Too broke."

They looked in each other's eyes for the first time.

"It's hell, ain't it, Si?" said Henry.

"It sure is, Henry," said Sylvanus.

One Man's Faith and Works

(Continued from page 24)

gaze is for two-thirds of a speculative price on your land that will collapse like a bubble when the boom blows up."

"Mr. Banker," the farmer sneered, "you don't know you're alive. You don't know what's goin' on—these men on those notes are developers of the country—that's more than you are—you ain't even willin' to do your part to help build up your own community that you squeezed everything you own out of."

"I'll go right on making good seasonal loans to farmers who are farming—just like you used to do, Mr. Jackson," the banker replied. "I'll take mortgages on conservative appraisals for farmers who want land because they want to farm it as the Lord intended farmers should do. But I won't lend money on speculative values to help you or any one else neglect his farm to speculate in more land to inflate values further: Pyramiding, they call that in Wall Street—and what's the difference whether you are a farmer doing it with acres or a plunger doing it with stocks? The preachers and the politicians out here in the country are always raising hell about Wall Street gamblers—why don't they give some good advice to their own people doing the same thing right here at home?"

"You're behind the times, Barrett." The farmer banged his fist down angrily. "Land will always have value—stocks are only paper. So you won't help me out?"

"No, Mr. Jackson, not the way you want—I'm sorry but it isn't my kind of business—"

"You're a hell of a banker!" Old Man Jackson went out.

From similar incidents there grew a grumbling demand for another bank. He knew his bank was amply able to care for all existing sound business and to grow along with all legitimate expansion in local needs. He opposed another bank. He was called dog in the manger. The promoters of the new bank, dominated by the recently arrived real estate operators, got the support of a local group composed mostly of malcontents against him. The capital was subscribed.

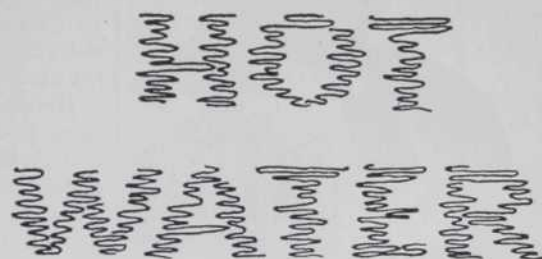
A charter for a national bank, with the then newly enlarged powers to make direct real estate loans, was quickly obtained. The land boom went forward.

He lost some customers to the new bank. The rising business generation of the growing town also was more attracted by its liberal methods than by his conservatism. It was the "easy bank." But he did not change his own methods. He still thought that bank loans should be closely associated with the production of real wealth and with actual values.

A trolley and more customers

OTHER forces had also been bringing change and progress and prosperity to the town. The Country Banker, in his reminiscent pageant, recalled the gala entry of the first interurban trolley. He and his bank had invested in the company's securities and had aided in having the line extended to his town. He thought the trolley would bring customers from the surrounding farm districts, cause an enlarged volume of trade, help the stores to grow, make more people want to build homes in his town.

It did and his bank benefited. He



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was president of it now. His uncle had died and had bequeathed to him all his stockholdings in the Barrett Bank. He built a modestly larger bank building of brick. Main Street had more stores and better looking buildings.

He had thought some of his merchant customers were slow to seize their opportunities. He recalled Henry Coombs who had started a little one man cobbler shop about the time he himself had joined the bank.

Henry had worked hard, early and late, had saved his money and had slowly added a line of farmers' boots and shoes until he came to do a considerable business in this line. Finally, he hired a cobbler and devoted himself to the sales end. But he stopped at that.

The Banker remembered the day he had dropped in to buy a pair of shoes and had become conscious that his own shoes were stodgy and that Henry's stock was limited to farmers' wear.

"Henry, why don't you get in some good looking shoes," he said, holding up a clumsy boot.

"It takes money," he said.

"You've saved up almost every cent you ever made," the Banker insisted. "Henry, come over to my office. Bring your books. I'm going to lend you enough money to put in a real stock of shoes. This town has got to make a better appearance with all these visitors coming in by the new trolley."

He recalled with satisfaction how Henry's business had grown and prospered—and how others with his help had done the same.

He had granted them enlarged lines of credit whenever he thought their own character, capacity and capital justified it. He had always felt that this was his plain duty to the community; that he was not so much lending money as playing a part in constructing the edifice of the town's growing importance.

Not long after the trolley, an increasing number of automobiles began to appear. They brought more people from the smaller hamlets and country districts to do their shopping. The town was becoming a real center of trade. Good roads and cheaper automobiles gave fresh impulses to these trends.

His bank was, and the competing bank appeared to be, prospering. Another group, restive to be in on "easy pickings" of the growing prosperity of the town, organized and subscribed capital for a third bank.

The new bank was granted a state charter, and ostentatiously favored with a substantial amount of public deposits withdrawn from the others. It became the "political bank."

As the town grew a number of industries developed or immigrated.

With the passing of the World War era agricultural prices began to drop. Farm land values started down grade. They soon became demoralized. He was not loaded up with farm loans. Those he had, based on sound appraisals, granted to real farmers, were not greatly affected by merely the speculative collapse.

The original of his two competitors fared worse. Its defaults and foreclosures were many. It was not strongly entrenched in the commercial and industrial business in town. Whispers went around about it—withdrawals were heavy. It was suddenly closed by the banking authorities. It paid its depositors less than 50 cents on the dollar. Old Man Jackson went back to farming.

The Country Banker's farm customers were not unhurt by the drop in farm prices. Some had difficulties meeting payments on their mortgages out of reduced incomes, an unusual number had to ask for renewals on their notes representing seasonal loans. Operating costs remained high, the return from the sale of their products grew less and less. The margins of profit were wiped out.

He addressed himself to the farm problem; not the problem of farm land speculation, but to that of his real farmer customers. He had the enforced opportunity of studying the problem first-hand as some of their properties finally came into his involuntary possession.

He saw that more credit was useless to farmers struggling with propositions that could not, under existing or prospective conditions, produce the means of repayment. It was clear, also, that prices for farm products could not be raised to former levels. Was it possible, in place of that, to reduce operating costs and create a new margin of profit underneath present prices?

Reducing farm costs

THE county agent of the Department of Agriculture and the experts at the State College of Agriculture said it could be done. They showed that farmers who limed their soil, used efficient equipment, diversified and adapted their crops, replaced scrub stock with purebreds and installed systematic farm accounting systems were able to reduce their operating costs to half those of adjacent farms, and make a comfortable profit even on existing depressed price levels.

They suggested that he survey the properties and methods of his farm customers, especially those who were not doing well, and cooperate with

those who were willing to help themselves by these proven methods. He recalled his struggle to carry out these ideas.

Into the imagery of his reminiscences came the figure of Jim Haskins the day he applied for a thousand-dollar loan.

"Jim, why don't you cut your production costs?" the Country Banker asked.

"Sounds easy, John," the farmer replied.

"It can be done—it's being done," he insisted. "Jim, you've got some of the best land in this county, but I'll bet it needs fertilizing. You've got a bunch of scrub cattle—I'll bet they eat more than they produce. I'll bet half the number of purebreds would produce twice the butter fat your scrubs produce."

"I always made a good living with my ways," the farmer said without emotion.

"Yes—but you can't do it under present conditions. Jim, I won't lend you \$1,000."

"All right, John. I'm sorry. I need it." The farmer got up to go.

"Sit down, Jim," the Banker said. "I'm going to lend you \$2,000. I will, provided you do what I say."

The farmer sat down and waited.

"First, I want you to let a man from the State College go over your farm and tell you what to do about your soil and your cattle. He'll probably tell you to kill most of the herd and get some purebreds. I want him to tell you also what modern equipment you've got to have to cut down your operating costs. Finally, I want him to show you how to install an accounting system so we'll know where you're heading."

"That sounds fine, John, but I can't afford it."

"Yes you can—you can't afford not to. I'm going to lend you the money as you need it—up to \$2,000—and arranged on an easy repayment plan—out of your increased profits."

Jim had not been easy to move. The job included a trip to other farms, a visit to the Agricultural College and continued adamant refusal to lend a cent for old-fashioned farming.

The farmer finally gave in. Within five years his was the most productive farm in the county, with all debts paid.

These activities had not increased the Country Banker's popularity among farmers who were not his customers, or among those who could not adjust themselves to the rigors of more scientific farming. But within the group of farmers who accepted these ideas, he exerted a constructive and helpful influence. This created, too, a sounder situation in respect to

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his own farm loans. If he profited by that, he also felt an unspoken satisfaction at the job he did for its own sake.

Although these years of the decade leading up to 1929 had been a period of farm troubles, prosperity had continued to grow in his town. The industries had prospered. The extension of good roads and increase in cheap automobiles had brought increasing trade to the merchants. He enlarged his bank building by adding a second story, and he put a new front on it of gray sandstone.

The town had become the shopping and business center for farm districts within a radius of 50 miles.

Speculative fever comes in

ALSO in this period, speculative profits from the great five-year boom in Wall Street swelled the wealth and spendings of some of his more venturesome neighbors. But this was an insidious disease—he did not catch it himself, but some of his collateral loans began to bother him. He realized that some of his good business customers were borrowing more money than the volume of their own proper business interests seemed to call for.

He began quietly to call them in for chats about the general state of affairs and incidentally about their own. His suspicions were confirmed. A good many were dividing their attention between their business and their growing speculative interests in the security markets. He felt that some of them had slight financial fevers. He gave them good advice about serving two masters—but knew he did not get far. Some of them went away resentful.

One customer who, the banker found, had diverted a business loan to speculation, quickly took his account "lock, stock and barrel"—as it gave him considerable satisfaction to announce—to the other bank, which was less critical of whether its customers used its funds for speculation or not.

In fact, it conducted a department that helped them make "investments," and did a great many free favors for them, such as providing a nursery with a maid to care for the children of mothers who were shopping, supporting the local boys' baseball club and distributing free blotters, calendars and gadgets for automobiles. The Country Banker lost a good many other customers to his competitor due to these inducements.

During these years, also, he was conscious of a certain creeping change that was invading the business life of the town. After he became fully aware of it, he realized that the



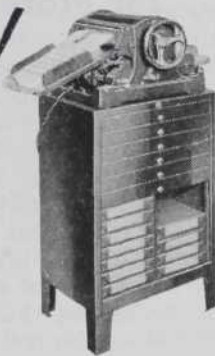
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wave of new customers and new business which the easy transportation of good roads and cheap automobiles had first brought to his own town from the rural expanses and smaller hamlets was now in fact passing on from it, in turn, and seeking larger centers. As roads became smoother, cars more powerful and people more accustomed to motoring, trips of 25 or 50 miles for a day's shopping stretched to 75 or 100 to reach larger cities.

The cash value of the sales of local merchants shrank as a large part of more important purchases went elsewhere. The merchants carried lighter stocks. They required less credit.

The deposits and loans of the two local banks were affected. Without the increases in collateral loans and investments which they had to make to keep their funds busy, they would have suffered a painful contraction in earning assets.

Competition became keener between his and the other bank. Local business at its best had never been more than enough to support two healthy banks. With these changes it was becoming something less than enough.

It was during this period that the Country Banker began to think of retiring. He was no longer young—he felt that younger energies and brains might be better fitted for these changing times. He felt that he had fulfilled his share in helping build a sound American town.

Almost unaware, the mad days of 1929 came. The whole character of business changed. The values of standard securities held as investments, or collateral for loans, melted away. Long-trusted customers whose business was at a standstill could not pay their notes as due.

Combating rumors

HE did not retire. He was at the bank day and night. He knew his bank was sound, his investments wise and his borrowers honest. But there were, from time to time, whispered rumors about the banks—especially about the other bank.

Its investments and customers were different from his. Its capital was less, its surplus and reserves much less. It closed its doors within two years after the depression began.

He was now the only banker in town. Prudent investments in sound securities, reliable borrowers who would stand behind their notes, conservative appraisals of the real estate security of mortgage loans, accumulated surplus which was more than double his capital—all these things toughened the structure of his bank. But they were not enough against the



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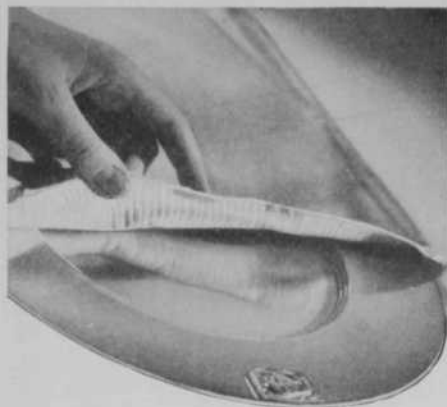
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national destruction of all investment values, the paralysis of all business functions, the decadence of public morale. They could not withstand the assaults of politicians and their implications that all banks were rotten, all bankers corrupt.

Day and night he toiled with his customers—helped them maintain the appearance of solvency, hoping for the change that seemed never to come.

In his crowded lobby he talked his frightened depositors out of two or three incipient runs.

He recalled vividly the face of the Italian woman who brought about the second one. Industrial growth of the town had created a small foreign quarter. Many had savings accounts in his bank.

He happened to be standing behind the teller's cage when she presented her husband's passbook with a balance of \$1,000 that she wanted to withdraw.

"Tony seeck," she said. "Operaysh."

"Yes, madam—but this is in Tony's name—you must bring a written order—you get Tony to write a note with his name and tell us to give you his money," the teller said.

"You no geeve money?" the woman cried, her great eyes growing greater.

"We can't without a note from Tony."

"You can't pay—you can't pay?" she said in growing excitement. "You bust?"

"Everything is all right, madam," the Country Banker, who had slipped out into the lobby beside her, said. "I know Tony. He is a fine man—is he very sick? I'm sorry—you come with me to see Tony—where is he?"

"Hospit," she said.

He went with her, explained the situation to Tony and the necessary paper was signed. But through the foreign quarter went word that Tony's wife had a hard time to get her money from the bank and the next day the lobby was full of Italians who wanted their money. The incident passed since all money was promptly paid—since also he saw the priest and enlisted his help in reassuring his flock.

But a few weeks later the great stampede came—the national frenzy that could not be stopped. However, in his own bank he met all demands—he poured, and lost, his own private fortune into the bank. But it was still open when the Bank Holiday closed all banks. It reopened with the first when the holiday lifted.

Darkness had moved into the deserted lobby, obliterating the scenes of the past. He rose and stood by the window, looking down Main Street—

looking at the present. The shop windows were alight. There was a continual movement of automobiles. The filling station was a glare of tilting and bright lights. Shoppers were still astir.

It was still a good town—it had withstood the Depression and the Drought—withstood even the blight of the Relief, for it cared for its own.

It was his town, he had helped build it, he had lost his money there. But he still had his bank and his bank had not caused a single depositor a cent of loss in all its 40 and more years. He had helped many of them become well-to-do, even rich.

"A lot of talk these days about the Government taking over the banks, or putting them under a central bank and telling them when to lend or not lend," he mused.

"I wonder if political employees sitting at desks in Washington could put their heart and soul into it and do as good a job as some of us country bankers have. I wonder what kind of towns they'd build.

"Credit is a mighty human thing—and banking's a mighty human thing—it belongs to what people are planning and doing and saying—but it isn't any kind of a politician or any part of politics. Loans and votes don't speak the same language."

More Things for More People

(Continued from page 18)

its capacity reproduces dies and molds of any shape or contour direct from originals at a reported saving of 50 per cent in time and cost. A somewhat similar machine does the same class of work but operates from an enlarged master or template rather than from the original die.

Whether or not any of these tools will be among those occupying the 235,000 square feet of floor space at the Cleveland exposition is not known as most of the manufacturers are planning to spring "dark horses." Many of them have even declined to tell the exposition committee exactly what they plan to exhibit.

The majority of them, however, plan to have their machines in operation and 5,000 kilowatts of electricity have been provided to pull the load when they are under power.

This exposition, coming at a time when most of this country's manufacturing plant is admittedly out of date, is expected to draw at least 25,000 executives and engineers to Cleveland to compare the new machines, not only with each other, but with equipment in their present plants.

The exposition will be open from September 11 to September 21.

When the Women Wake Up!

(Continued from page 34)

vate industry, are we not parties to a program which will eventually destroy the very industry which sustains government? And will we not sacrifice rights of individual wealth on the altar of state paternalism? Washington should be the seat of government and not an experimental laboratory.

Is not our present situation and trend of government partially due to the invasion by millions of foreigners, living under our flag, who are zealous to impose their ideas and principles of government upon our people and our government? Human nature is much the same throughout the world and is it not human nature for Central European immigrants who have been brought up and educated in the atmosphere of state paternalism to seek to impose such systems, with their questionable benefits, upon a people and government educated and reared in the freedom of democracy?

The time has arrived when the women of this country must realize the crisis we are in and take definite steps for the protection of their actual investments. They must sense the necessity that Congress cease destructive legislative campaigns designed not only to overregulate industry and to stifle its economic life but to alter the fundamentals of our governmental system.

Women can wield a tremendous power when they realize that in their hands reposes the biggest financial stake in all our national wealth. Will the women wake up? Will they assume the responsibility of this power?

Women fought for the vote, women, behind the lines, fought the war, women carried on the crusade against the evils of prohibition. The hour is at hand when women must mobilize for the protection of the rights of private property, pass by all trivialities, forget all minor grievances, forget every disturbing but unimportant interest, and bend their energies toward the preservation of their property rights, their citizenship and the Constitution of the United States of America.

Every earnest red-blooded woman citizen in this land should make vehement protest against unconstitutional legislation—designed by its originators to create class distinction in this country which for 150 years has known no classes.

Such legislation as the Wagner Labor Act, the Wheeler-Rayburn bill to crush the utility industry, the

"Monroe Velvet Touch, Speed, Portability, and Stamina Save Us Real Money" says Weston Biscuit Company



MONROE COMPACTNESS AND PORTABILITY MAKE IT EASY TO USE A MONROE ON ONE SIDE OF THE DESK FOR ALL KINDS OF CALCULATING; ON THE OTHER SIDE, ANOTHER MONROE FOR STRAIGHT LISTING WORK

A trip through the fine, modern plant of the Weston Biscuit Co. at Passaic, N. J., is a liberal education in the versatility of Monroe equipment. On one desk is an Adding-Calculator checking invoices; they tell us it has saved its cost in six months, and gives greater first-time accuracy than a double check on any other machine. Operators are enthusiastic because Monroe Velvet Touch lessens fatigue and raises efficiency. In the plant a Listing Machine tallies the contents of each case as it goes on a belt from packing room to warehouse; this simple operation gives an accurate, economical record of pro-

duction and a perpetual inventory of stock.

Weston, a Monroe user for years, has found that Monroe sturdiness plus the service of Monroe-owned branches mean uninterrupted figure work.

There is a Velvet Touch Monroe for every kind of figure work, from the Adding-Calculator to the Multiple Register Poster. A phone call to the nearest Monroe branch or a line to the factory will put one to work on your own figures without obligation. Monroe Calculating Machine Company, Inc., Orange, New Jersey.

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A NEW 16 PAGE
BOOKLET

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The firm, its employees, and their families. A partnership best understood when an employee dies.

GROUP INSURANCE

makes for friendly feeling between the several parties at interest.

*To Any Employer
May we explain more fully?*



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DO YOU WANT AN

Object in Life

IF YOU are wealthy, would it interest you to be instrumental in bringing to the world an era in which there was no unemployment? Surely such an accomplishment would be well worth the time and money necessary and bring the happiness and contentment a great work affords.

The writer, a business man of 50, well rated in Duns, will pledge all he has that the plan offered and his knowledge of money will be proved fundamentally sound.

Association with one interested in helping or directing the carrying out of this work is desired. The plan can only appeal to intelligence, and will require considerable education of the public.

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Two Blocks from White House
A third of our Presidents have inscribed their names on the register of
The
WILLARD HOTEL
"The Residence of Presidents"
Washington, D. C.
H. P. SOMERVILLE, Managing Director

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soak the thrifty tax bill and the Guffey bill to nationalize the coal industry are only links in a chain designed to fetter American initiative.

Isn't there something worth saving in the Old Order? After all a high standard of living, with its conveniences and all that it means, is something far above the bare necessities of food and shelter and clothing. American women are recognized as the most discriminating shoppers in the world, and whether it be groceries, household products, clothing or entertainment, she has keen discrimination and invariably chooses for value received.

Should we not apply this same analysis of values to the proposed new social order? Should we not make it our business to understand completely and fully the fundamental questions of business and government and judge for ourselves whether we wish to discard the old American system, with its comforts and its liberties, for the New Order with its state paternalism, its collectivism, its "social planning" or its dictatorship?

When lightly we make the statement that capitalism should be destroyed, do we stop to realize that we American women are the greatest of all capitalists and have profited most, not excepting the men, from our form of American capitalism? Do we stop to realize that if we destroy one thing, some other thing must be reared in its place?

And if capitalism should be de-

stroyed, would our American women be as happy; would they retain their present status under a new social order? Throughout history the influence of women has asserted itself in home and public life, but in no other country has women's influence been as extensive in all endeavors.

When women wake up they will realize that we as a nation have reached an important cross-roads. On the right is the broad, well-beaten highway made hard and firm by the steady tramp of millions of men and women who have risen higher and higher in their standards of living. The road was built by master craftsmen who recognized that all are equal before the law, and that all should have the same freedom to strive and enjoy the rewards of their labor; that human rights rest upon property rights, because to take away from the thrifty and the energetic is to destroy the human right of possession.

To the left is the untravelled road through uncharted territory. No survey has been made of it, no one knows where it is going or where it will end, but we do know that it has been planned not by expert road-builders but by experimentalists and theorists.

When the women wake up to the issues involved, it is my judgment that they will decide to stay on the broad, well-beaten road, even though occasionally they might be called to attention by a motor cop of depression.

We Have Humanized Our Figures

(Continued from page 29)

ance and run its stockholders, the taxpayers, deeper and deeper into debt.

This is not an idea born of 1935. Since 1932 the taxes of the General Foods Corporation have increased from \$2,347,819 to \$4,619,575.00. We are now paying taxes which amount to more than \$49 per month for every man and woman in our employ.

Taxes and pay envelopes

IF THESE taxes could be reduced by 25 per cent—and they would have been if the party in power had fulfilled the promises made in the party platform—we could add at least \$12 a month to the average pay envelope. Or, we could add 21 cents a share to our annual dividends. Or, we could split this saving between our employees, our stockholders, and our customers.

Instead of that we are promised more and better and bigger taxes.

However, there is a very distinct limit to the tax burden which we can carry—perhaps that is why the planners in Washington are trying to pile them on so fast.

Returning for a moment to the question of unfair practices, suppose we try to humanize some tax figures, if there is anything human about taxes. The Administration, either because of fear or hatred, or both, seems to be obsessed with the idea of destroying "big business" if only to make way for the new social order where the individual is necessarily subordinate to the state. The latest suggestion is to tax the big corporations out of existence.

We must recognize that we are essentially a nation of small and large businesses, the ownership of which represents the thrift and savings of our people. These corporations are owned by stockholders and if legislation interferes with the activities of business life it definitely and automatically slows down the employ-

NEVER BEFORE *such a Startling Feature IN A* **1½-2 TON TRUCK!**



GMC DUAL PERFORMANCE Assures greater gas mileage . . . less wear on engine . . . more work, more profits.

Here, to be sure, is one of the few major truck refinements of the past ten years—one that shrewd operators by the hundreds have been quick to earmark as the feature of 1935 truck design.

Think of getting as much as 28% greater gas mileage, of being assured of as much as 22% less wear on engine and other driving units. And in addition to effecting such important savings in operating and upkeep costs, the GMC Dual Performance Axle likewise saves time and money by enabling the truck to climb steeper grades faster, travel faster on the level and handle bigger loads.

Get the facts about this revolutionary GMC feature now available in the 1½-2 ton as well as 2-3 ton range. And get the facts, too, about the other 47 money-saving features of the GMC 1½-2 ton truck of value.

Owners Say:

"We find that with less gas consumption we accomplish more work than we were able to do with our former jobs."

Township of Union
Jutland, N. J.

"It is the equivalent of two motors for every truck."

Pennsylvania Transfer Co.
Pittsburgh, Pa.

"This particular unit is better adapted to our work than anything we have ever used."

H. J. Williams, Inc.
(General Contractors)
York, Penna.


"We are sure this type of rear axle is the most satisfactory unit for heavy duty work at a minimum cost of operation."

The American Oil Co.
Manchester, N. H.


General Motors Trucks & Trailers **1½-22 TONS**



ALKALINE BATTERIES ARE SAFER



BEACON OF DEPENDABILITY—Edison Alkaline Batteries are used so extensively in beacon service because they can be relied upon. Not subject to sudden failure.



SHIP SUBMERGED—But her lights stayed on...because Edison Alkaline Batteries were used as emergency power. The Edison is rugged—doesn't need pampering—built, of steel, as strong as a battleship.



SUBWAY C-RUSH HOUR—Edison Batteries power automatic doors, operate emergency lights, signals and elevators on "the world's safest railroad". Safety demands dependability. Alkaline Batteries give it.



SAFE FROM PAYROLL LOSS—No workers stand around waiting "for the battery to be fixed" in Kensington, Incorporated's plant. Edison Batteries power the industrial trucks which transport materials for the handsome new Kensington Coffee Service illustrated below.

...
ONLY ONE Battery built in U. S. is alkaline. Therefore, industry uses more Edison Storage Batteries than any other make. More dependable—more economical—get facts. Edison Storage Battery Division of Thomas A. Edison, Inc., W. Orange, N. J.



ment of labor. If stockholders were properly organized with a voice in government such as other minority pressure groups, we, too, could express our opinions and support our representatives and senators in recognition of their cooperation in supporting sound legislation.

If the American Federation of Labor, with whom I have no quarrel, and the American Legion, with whom I have no quarrel, believe in their demands and insist upon their rights to present their demands to the Congress, then business should have the same privilege and have a voice in support of constructive proposals as well as in opposition to destructive proposals.

It would seem that business has the brains, the courage and the ability to organize immediately.

It is my purpose to send reprints of this text to all our employees and stockholders. I want our employees to know exactly what is behind each individual job in our factories in terms of investment and management responsibility as a basis for soliciting their cooperation in the fight on this effort to change our whole set-up into some form of radical collectivism. I want our stockholders—particularly our thousands of small stockholders—to tell us what they want us to do.

Handicapping security programs

WE have millions of dollars belonging to these stockholders invested in the securities of other enterprises. Our employees have some equity in this surplus for it represents their security in employment. No intelligent man will attempt to say what this investment will be worth if we continue this wild program of spending not only the present but the future wealth of the nation, if government keeps on adding to a tax burden which is already too heavy to bear, and if industry is to continue to be shackled and hog-tied waiting for the final edict from Washington which will end, for all time, private business and the enjoyment of private property.

It is definitely the moral obligation of all management to its stockholders and the men and women whom it employs to provide leadership in this crisis; to oppose any legislation which is harmful to legitimate businesses, and to make educational campaigns to offset the voice of the demagogue and the radical. We grow sanctimonious in our talk about the "trusteeship" of management; it is time that we did something more than talk.

EDITOR'S NOTE: Other examples of "humanized" balance sheets will be welcomed.

What Workers Want to Know

(Continued from page 26)

But neither her estate nor any big estate is in cash.

Paper values would have to be converted to realize the substance of money.

If we traced down the earning power of her fortune, we might find part of it in this very business—helping us keep going, providing jobs.

We get our capital from big investors, from small investors—from one-share folks, ten-share folks, from thousand-share folks.

What if every owner of a large fortune drew his stake out of this business, out of every business, and started something of his own? How would that help?

One thing sure, the wealth owned by rich folk has its overalls on somewhere.

Otherwise it is no good, brings home no bacon, is not worth its keep.

Would wealth do any better job in a lump labeled with the owner's name as in Henry Ford's business, than it is already doing, distributed among several businesses, where its owner leaves its use to the management of others?

Easy to get the notion that the owner of a great fortune is a slacker because the helpful force of his wealth does not flash into public consciousness in one giant enterprise, attention getting, eye filling.

Nothing thrilling in the thought of "the rich" providing part of the life blood of a score of businesses. At least not so thrilling as picturing them lifting the nation out of the ditch, presto change.

But whether wealth performs sensationally in full view or plods effectively behind the scenes, it can't afford to be a loafer.

The point is, of course, that riches, like men, have to find jobs.

Neither earns anything when idle.

VI. "What do I care about taxes? I can't pay 'em if I haven't got the money. Let the rich do the worrying about government billions!"



REASONABLE enough, if the money for public spending came out of large fortunes only.

Tax collectors work both ends, and the middle, too.

Rich and poor, and the well-to-do in between, have to carry the load.

The idea that what you don't know

HOW A DOLLAR A DAY COULD MAKE THIS A

\$20,000 family!



There are members of another family, living in one of Chicago's suburbs, who know this is true.

The husband was a 39-year-old banker who had lost a great deal in the depression, including his position.

Later—as he began to earn a small salary—he heard about a new plan by which he might regain much of the ground he had lost.

This was the FAMILY INCOME PLAN of the Northwestern Mutual.

A Monthly Income for 15 Years

Up to age 43, the premium payments on this FAMILY INCOME PLAN amount to only a dollar a day or less—and yet if you should die unexpectedly, as this man did, your wife or other beneficiary would receive a monthly check for \$70 for the next 15 years. That's \$12,600.

But that's not all. At the end of those 15 years there would also be \$7,000 available for her—in cash if desired—or in monthly payments—a total of \$19,600 without counting dividends.

You Can Live to Enjoy It, Too

When this Chicago man took out his policy, he was in excellent health. No one could have foreseen that he would not live to pay even a second premium. But many other men who have this same plan will live to enjoy its benefits with their families—and all the time there's this great financial protection for their families, in case they should die.

A Plan the Average Man Can Afford

Men who realize they must do something about life insurance should investigate the FAMILY INCOME PLAN at once.

Writing to thank us for the monthly checks which she will continue to receive until her children can become self-supporting, the widow of this Chicago banker added, "I only wish that the provider in every family could learn of this policy and protect his dear ones, as my husband did." This is a timely answer to a pressing family problem—learn more about it. Mail coupon for booklet.

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**Northwestern
Mutual**
LIFE INSURANCE COMPANY

A Billion Dollar Estate

MILWAUKEE-WIS.

THE NORTHWESTERN MUTUAL
LIFE INSURANCE COMPANY
Milwaukee, Wisconsin

Without obligation, please send me your booklet "Increased Protection For Your Family During The Years It Is Most Needed."

Name

Address

City Age

NB 9-35

The assets of the Northwestern Mutual, as reported to state insurance departments, now total a billion dollars—a great estate administered for the mutual welfare and protection of more than 600,000 policyholders with over three and a half billions of insurance in force.

If shoppers did **THIS** *your product would*



• • •

need no merchandising

Your retail problem would be simple if shoppers took the magazines along. Thumbed their pages for suggestions. Bought as your advertising directs.

Your product could be hidden on the top shelf. Stuck under the counter. Stored in the cellar. *It would still sell.*

Merchandising — *successful* merchandising — does the next best thing. By drawing attention to your product at the point of sale, it gets your advertising "remembered" *when* and *where* it will do the most good. It bridges the gap between advertisement and retail counter. Makes your message "click" and pay.

In planning the merchandising for your product, has it occurred to you

that the American Can Company might be of help? Has it occurred to you that a company specializing in two basic merchandising weapons — packages and point-of-sale displays — must have quite a merchandising background?

Possibly in our broad experience, with thousands of products in almost every field, there may be something of value to you. We should be glad to work with you and contribute what we can.

Why does American Can Company concern itself with problems of retail merchandising?

Our reasons are the same as yours. We cannot sell more packages than you sell for us — *you* cannot sell more than people buy. The consumer is our common goal.

AMERICAN
CAN COMPANY

230 Park Avenue • New York

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STOCK MARKET INSTRUCTION
(Not an advisory service)

THE PURPOSE of this Course of Instruction is to teach Stock Market Science and Technique; to help you become a scientific and successful investor in stocks.

Founded in 1910 by a practical market operator, the Course is based on more than 40 years' experience. It shows you how to develop independent judgment so that you need never ask anyone's opinion, or listen to anyone's tips, or take anyone's advice, because you will know just *what* to do and *when* to do it.

This Instruction is founded on the Fundamental Law of Supply and Demand. Its principles have been tested in all kinds of markets for over a quarter of a century. It teaches you how to judge the stock market by its own action; how to do your own forecasting of the trend of the market as a whole, and of individual stocks.

It offers you a definite, comprehensive plan of study which enables you to employ your funds in the stock market intelligently.

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1 Wall Street, New York

Without obligation, send me particulars of your Course of Instruction.

Name

Address

City and State NB-1

1 For the man who cannot be in Washington, Nation's Business is an authoritative interpreter of what's going on in Government which will affect business!

doesn't hurt you is the security of the politician.

One thing sure, none of you workingmen is passed by. The seine of the tax gatherer has fine meshes. He misses no small fry.

Even though you and your family do not know it, you are caught in his net, just the same.

Every day is tax collection day.

In fact, you and your wife do not spend a dollar or a dime of which some part does not go for taxes.

Taxes are in the rent of your home, in the bread you eat, the gasoline that keeps your car going, the radio that entertains you in the evening—through a manufacturers' tax and the expense of a Federal commission.

Taxes are in the clothes you wear, in your bills for gas and electric light, in the leaner dividends on your life insurance.

If taxes are high, the things you and your family eat and use and wear cost more and leave less for the family living expenses.

If taxes are low, things cost less and your income goes farther.

But whatever the level of taxes, they must be paid.

True, they are not specified in your bills from the landlord, the grocer, the butcher, the baker, the milkman, the gas and light companies but they have been figured in the totals just the same.

Nobody likes to pay taxes.

Everybody tries to shift the burden.

Passing the buck is easier than cutting down the government bill which causes the taxes.

There's always an end to the line. No purse is too small to escape the greedy touch of taxation.

VII. "With 2 per cent of the people owning 80 per cent of the wealth, what chance have I got—has anybody got—in this country?"



NO ERROR in saying that in the United States, as elsewhere, wealth is far from evenly distributed.

Beyond that, not much is known.

The evidence is scanty, out of date. Most of it goes back to a study made by Professor Willford King of New York University.

His findings were limited to the period from 1850 to 1900.

He concluded that two per cent of the population owned 56.9 to 66.6 per cent of the country's total wealth.

A long way from the share assigned in your question, but lopsided, at that.

In 1915 the National Industrial Commission took Professor King's report at its word, and now people give the Commission as an additional authority to support a view which it had in effect merely copied.

Getting down nearer our own times, in 1926 the Federal Trade Commission made a report covering the years between 1912 and 1923. It estimated that one per cent of the people owned fifty-nine per cent of the nation's wealth.

It said that although the figures suggest "a wide variance in the wealth of individuals and a rather high degree of concentration, there are indications that this concentration was greater at the beginning of the period than at the end."

In 1927 Professor King revised his earlier work.

Applying a different formula, he concluded that 40 per cent, instead of 60 per cent or more of the total wealth, was held by about two per cent of the people.

This later judgment gets little public notice by supporters of "share the wealth" plans.

The Federal Trade Commission used probated estates as the basis for its conclusions, as did Professor King.

A large part estimated

HOW sound are these figures?

Persons leaving no estates for probate—that is to say, cases in which no wills were offered for legal proof—were classed by Professor King as "paupers." He figured that their property was worth from \$375 to \$400.

That rating made them look poor indeed.

It could also be argued that the figures do not take account of life insurance—an asset of worth by any standard.

Another question mark against the conclusions arises from the fact that the study of estates was based on heads of families alone.

That method leaves out of consideration the holdings of other members of the family.

Professor King in his study of 1927 recognized some of the possible sources of error in his previous considerations.

It then appeared that the distribution of wealth among persons at death was not a fair basis for judging the distribution at other times; that much real estate and other property passed from one person to another without going through probate court proceedings.

The Federal Trade Commission report extended to all persons dying above the age of 21, thereby including

wives, many of whom, as would be expected, died without leaving property in their own names.

By that method each of those women was automatically classed as a "pauper." Nobody knows how much property they had.

The Commission made a rough allowance of \$258, the figure taken as the worth of persons who die without making a will.

In similar vein with the idea that all our wealth is in a few hands is the belief that "the rich are getting richer, the poor are becoming poorer."

Poor are getting richer

ON the other hand, Professor King found that "the general distribution was not greatly different in 1890 from what it was in the days immediately preceding the Civil War, despite the fact that between the two dates there was a striking growth in large scale production."

He believed it "a striking thing" that his study showed such small differences in the distribution of wealth through all the periods the study covered.

Fortunes come and go quickly in this country.

"Three generations from shirt sleeves to shirt sleeves" is a saying proved in experience.

The poor man always has the expectation of striking it rich.

The rich man faces the ever-present possibility of going broke.

True, some great fortunes have been held together since their founders' times. Astor, Rockefeller, Mellon, Morgan, yes. How many more can you name?

Nobody knows how many poor men have worked up into the higher financial brackets.

Sixty-five millions of life insurance policy holders, around 15,000,000 holders of stock in American enterprises give us some guidance toward the answer.

Facts are hard to get

THE state on which your question is based comes down to this:

In 1926 a government commission found that one per cent of the people own about 60 per cent of the wealth.

In 1927 a reputable professor found that two per cent of the people own about 40 per cent of the country's wealth.

Conclusions so far apart, yet made within a year of each other, show the pressing need for more light.

Why don't we get it?

The trouble is that digging up facts is much harder work than handing out opinions.

WHEN DEPRESSION DESTROYS VALUES

PAYING claims is what we expect from an insurance company, but a real test of an institution's strength and stability is applied when financial upheavals disrupt business, for then extraordinary strains must be resisted—business shrinks in volume, while usually there is an increase in losses resulting from fire and many other causes.

There have been 14 depressions or panics in the United States since the Hartford Fire Insurance Company was chartered in 1810.

1837, 1848, 1857, 1873, 1893, 1907, these are dates that recall the more desperate periods successfully survived by the Hartford, times that contributed much to the reputation of the Hartford.

Wars, conflagrations and financial depressions are tests which prove strength and stability. The Hartford's record is one of successful survival. Protection in the Hartford carries with it a sense of security—peace of mind.

If you want Hartford nation-wide insurance, or if you are insured in the Hartford and while away from home suffer a loss, call any Western Union office in the United States, or the Canadian National Telegraphs, in Canada, and you will be given the name of the nearest Hartford Agent. If a broker handles your insurance, ask him to procure for you a Hartford policy.



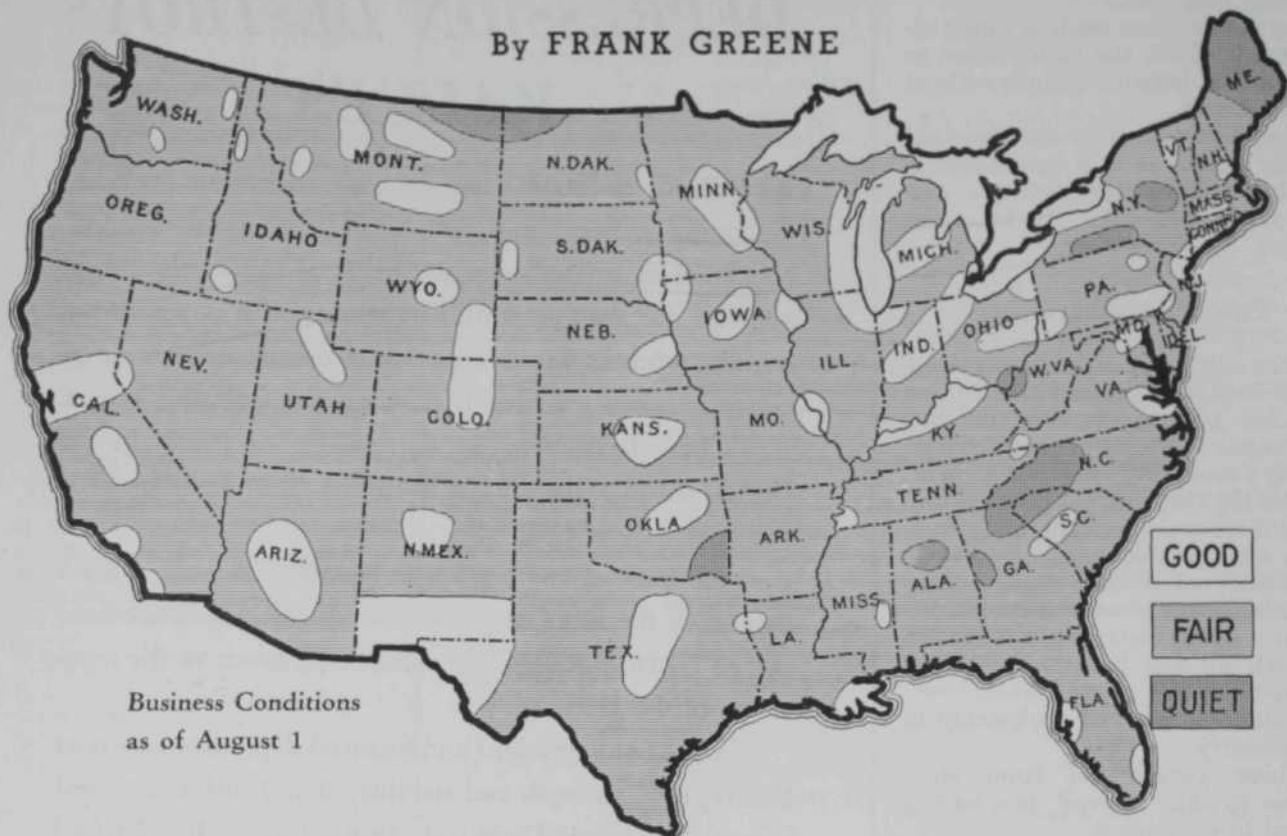
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The Map of the Nation's Business

By FRANK GREENE

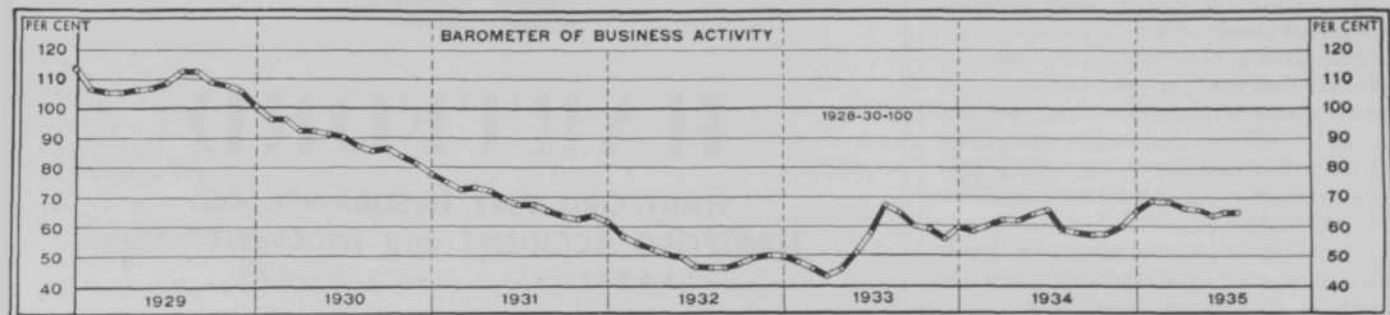


JULY saw distinct gains in business following the Independence Week lull. Steel, lumber and textiles, except cottons, led in improvement among industries. Summer goods were the retail sales feature and wholesalers reported liberal reorders. Tax uncertainties adversely affected cotton manufacturing and legal proceedings tied up some capital pending decisions on processing taxes.

Residential building expanded, and railroads bought more freely of equipment. Carloadings improved but were below 1934 as fag ends of drought-reduced crops were marketed. Electric power output rose nearly to 1929 records. Bank clearings and bank debits advanced sharply over July last year.

Wheat crop prospects were reported reduced by rust or heat in the Northwest and Great Plains areas. Timely rains aided corn. Good gains over last year's reduced yields, however, seem certain in most crops, but burdensome surpluses are not indicated in foods.

With fewer labor troubles and the advance of the crop season, the map tends to brighten up a bit



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

The July Barometer rose only a trifle over June, the decrease in the carloadings factor, mainly due to short 1934 crops, tending to balance gains elsewhere



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(This is one in a series of advertisements on Lower Manhattan Commerce Center)

"A Multitude of New Offices"

(Continued from page 17)

time to time. The contracts number:

Corn and hogs	1,150,000
Cotton	1,000,000
Wheat	575,000
Tobacco	300,000
	3,025,000

In addition there are some 200,000 producers under milk agreements.

It takes an army of men to handle these contracts, to see that the farmers live up to their terms. How big that army is is not certain. The AAA's return to the Civil Service Commission was in June, 6,276, but the Department of Agriculture had 37,769 workers, many of whom are employed in AAA work. The Department of Agriculture has added more than 10,000 men in the last two years. There is also this significant footnote in the government report: "Department of Agriculture total does not include 31,203 special employees hired under letters of authorization with a pay roll of \$1,219,392."

The growing CCC

ANOTHER of the major spending agencies is that officially called "Emergency Conservation Work"—the Civilian Conservation Corps. There are—or were about August 1—415,000 enrolled personnel in these camps with an added salaried administrative list of 50,000. In May the camps had an enrollment of 335,000 and 49,500 administrators. The camps which originally were to care for 300,000 young men are now to be expanded to house 600,000. The number of salaried administrators which in April stood at more than one to seven may reach that average again. If it does we shall have in camp in this country 600,000 men under the direction of 80,000 or 90,000 government employees.

What do these government employees do? About 9,000 are army reserve officers who have command of the camps. They draw the pay of their army rank. Another 1,500 are education "advisers" who average about \$160 a month, and 39,000 are "supervisory and technical" at an average of about \$120 a month. The monthly administrative pay roll in May approached \$5,000,000, with a prospect that it will be at least 50 per cent higher. It must be recalled also that each member of the enrolled personnel draws a minimum of \$30 a month, eight per cent draw \$36 while five per cent get \$45, and there you have an additional \$18,000,000 a month. The wage bill of these camps

is totalling \$275,000,000 or more a year and is certain to increase.

These camps present an interesting picture, 300 or 400 thousand men with one director to each 7 or 8—nearly all young and nearly all unmarried.

Few salaried employees of the CCC appear directly on the Civil Service Commission rolls—only about 60—but that body credits 15,755 to Agriculture (foresters largely), 10,109 to Interior (teachers, supervisors, etc.) and 11,740 to War (reserve officers). There is also a large amount of local, intermittent help employed at these camps.

Last of the great agencies which are spending federal funds with the help of workers by the tens of thousands is the PWA. It spent from June 30, 1933, to April 1, 1935—a period of 21 months—\$2,202,000,000, at a cost of \$16,500,000. That's at a rate of a billion and a quarter a year. Figures of the number of workers who are on the job of spending this amount are unsatisfying. A call upon the PWA information bureau led to references from one official to another until finally this figure was produced:

"On July 29 we had 4,600 employees outside of Washington and 2,414 in Washington." That is an increase from June of 48 in Washington and 237 outside, a growth of four per cent in one month. How many workers in the field look to PWA for their livelihood? Here they are:

Federal projects	130,192
Non-federal projects	125,909
Relief Highways	16,167
Tennessee Valley Authority	16,002
Housing	2,757
Administration	11,543
	302,570

A jumble of figures

THIS supplies instances of the jumble. TVA, for example, lists with the Civil Service Commission a total of 16,472 employees. The 16,002 are paid from PWA funds and are listed by that organization as part of the men they have put to work. Again, the PWA official list of 7,014 workers in charge of spending its money must be increased by at least 11,500 on administration in the field. Thirdly, perhaps the men on federal and non-federal projects on highways and housing may not be classified as government workers, but TVA's 16,000 appear as such in the Civil Service Commission's compilation.

The yearly spendings of these four agencies are running about like this:

FERA	\$2,000,000,000
PWA	1,250,000,000
AAA	800,000,000
CCC	400,000,000
	\$4,450,000,000

And it takes no imagination to get



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some picture of the administrative army required to spend this money.

The above figures will be increased in the case of PWA and CCC. In the case of FERA there is hope that it may decrease. The AAA again is hopeful that improvement in crop prices may lower its spendings.

Each of these four agencies is labelled "emergency." What is the prospect of their ending or even of their ceasing to grow? It is safe to say that the chances are slim, that the 200,000 who are distributing relief will be distributing it for years to come. Carrying out even existing PWA projects will need an increased number of employees. The Agricultural Adjustment Administration sees itself as a permanent feature of our farm policy.

As for the conservation camps they are definitely planned to grow. The early limit of 300,000 has been raised to 600,000 although difficulty is being experienced in enrolling that number.

One of the newcomers

A NEWCOMER to the army of bureaucracy is the Resettlement Administration, of which Professor Rexford G. Tugwell took command by executive order on May 1. "RA," as it will be called, took over the Subsistence Homesteads Division of the Interior Department and the Rural Rehabilitation Division of FERA. Overnight it found itself with a pay roll estimated at anywhere from 16,000 to 18,000 more than NRA had in its greatest day. Then Professor Tugwell declared that he was about to let seven or eight thousand workers go. Experienced watchers of official Washington grinned and said:

"They'll be in again."

Meanwhile, Professor Tugwell rented the Walsh-McLean mansion on Massachusetts Avenue and turned it into offices.

Not much is known yet of the spending abilities of RA, but if it even approaches the carrying out of its allotted functions it will need not millions, but billions.

One more spending authority must be recorded here. That's TVA, which the Civil Service Commission puts down at 16,472 workers. We have already found that PWA takes credit for most of them and nobody mentions that some four or five thousand Conservation Corps workers are helping out.

But the Government not only spends, it lends. Its lending machinery has built up two great blocks of officeholders, those in the Home Owners' Loan Corporation and in the Farm Credit Administration. The latter is one of the most complicated of

government agencies. A mere listing of its various divisions shows how widespread are its activities and how many must be the workers employed in its varied branches.

At the top is the Farm Credit Administration with its district organizations in 12 cities. Allied are the:

Federal Land Banks
Federal Intermediate Credit Banks
Banks for Cooperatives
Federal Credit Union system
Land Bank Commission
Production Credit Corporations and Associations
Federal Farm Mortgage Corporation
Regional Agricultural Credit Corp.
Emergency Crop and Feed Loans

FCA had on June 30, according to the Civil Service Commission report, 6,224 employees, of whom 1,498 are within the District of Columbia and 4,726 outside.

Yet, as still another instance of the jumbled statistics on the number of government employees, a call at the FCA headquarters produced figures showing 12,546 employees, or almost exactly twice as many as the Civil Service Commission report showed.

Obviously, it would be improper to say that the Federal Government would set up so fearful a thing as a holding company with subsidiaries, but that is what FCA and its nine underlying agencies with their two million loans suggest. An enormous banking business and one that, as loans fall due and are delinquent and unpaid, will call for a growing rather than a decreasing force.

On June 30 of this year there were \$450,000,000 in federal farm loans delinquent and there were more than 6,000 foreclosures pending.

In the urban and suburban field, the Federal Home Loan Bank Board and its subsidiaries—the Federal Home Loan Bank system, the Home Owners' Loan Corporation, the Federal Savings and Loan system, and the Federal Savings and Loan Insurance Corporation—rivals the work of FCA in rural districts. The Home Owners' Loan Corporation has branches in every state and in the larger states it has from two to six district offices; the Federal Home Loan Bank system has a dozen regional banks.

It has perhaps a million borrowers who owe it between three and four billion dollars. It promises not to extend its activities but it has about 20,000 workers—of whom about 90 per cent are outside Washington—who need not fear a loss of employment. The job of collecting interest and principal, of supervising a million mortgages, of being sure that insurance is paid, that properties are not allowed to deteriorate, will keep them all busy. So far the number of foreclosure proceedings has been

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St.G., Switzerland.

small, though payments delinquent beyond the 90-day limit have been running about 20 per cent of the total amount due.

To this group of "government in banking" agencies might be added the Federal Housing Administration, with 3,100 employees as of this June. That organization will hasten to deny that it is in the banking business. It lends no money, it is explained; the banks do that and FHA merely sets up an insurance fund.

Out of the 50 only a handful of these new agencies have been described. There are two new regulatory bodies, the Federal Communication Commission and a Securities and Exchange Commission, one with 500 and the other with 700 employees. We have a Coordinator of Transportation to add 124 workers to the Interstate Commerce Commission's 1,600. The Wagner Act sets up a new labor board and the Guffey bill would add still further to control bodies.

The number of federal employees recorded by the Civil Service Commission gained 5,600 between May 31 and June 30. That's at the rate of 67,000 a year. But it is not alone the increasing number of those added to tax pay rolls that provides cause for alarm, it is the deadening and dangerous effect on individual and on private enterprise.

What of their futures?

IF THE government, for example, is to assume such a large share of the business of lending on mortgages in this country, what will be the future of our banks, our insurance companies, our building-and-loan companies? And further, what will be the future of those who work in those institutions?

When the TVA is followed by other "yardsticks" in the four corners of the United States, will there be any place for the private investor or the man who sees a chance for new economies in utility administration?

What of the farmer who, instead of himself deciding how many hogs to raise or how many acres to plant, waits until a blue envelope postmarked Washington tells him how much pork and wheat he may produce?

What of the individual who looks more and more to Washington to guide him, advise him and lend him money? Look at these figures:

Farm Loans	2,000,000
Home Loans	1,000,000
Crop Control Contracts	3,500,000

These figures give us the background of the amazing "multitude of new offices" and the certainty that the office holders, through the taxes required to sustain them if nothing else, will "harass our people and eat out their substance."

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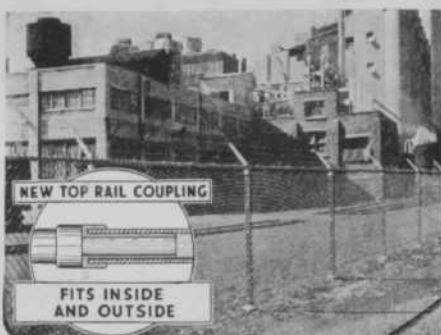
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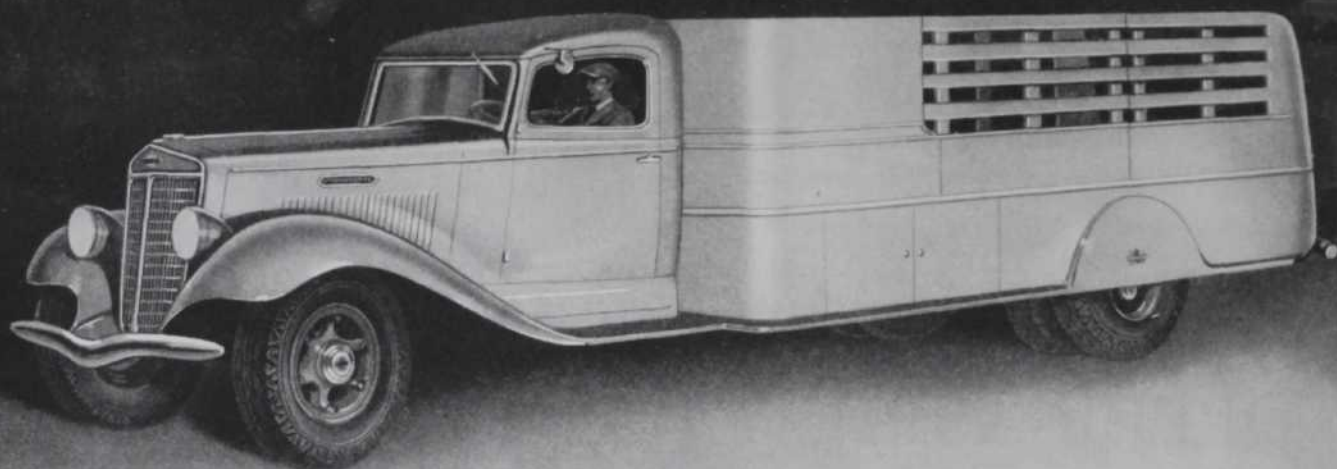
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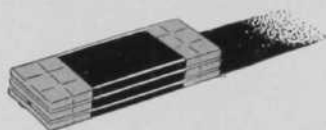
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